

SERVICES AGREEMENT

BETWEEN
ANACONDA ALUMINUM COMPANY
AND
CATALYTIC, INC.,

FOR ENGINEERING, PROCUREMENT AND
CONSTRUCTION OF A CASTING FACILITY
AT COLUMBIA FALLS, MONTANA

SERVICES AGREEMENT

This AGREEMENT is made and is effective as of this 4th day of January, 1982, by and between ANACONDA Aluminum Company, a Division of Atlantic Richfield Company, a company duly incorporated under the laws of the State of Pennsylvania, hereinafter called "Anaconda"; and Catalytic, Inc., a company duly incorporated under the laws of the State of Delaware, hereinafter called "Contractor".

In consideration of the mutual promises and conditions contained in this Agreement, and other good and valuable consideration, receipt and sufficiency of which are acknowledged, the parties agree as follows:

ARTICLE 1 - GENERAL

1.0 The following documents are attached to and made a part of this Agreement:

General Terms and Conditions	Exhibit A
Statement of Work	Exhibit B
Compensation and Payment	Exhibit C
Insurance	Exhibit D
Project Control Requirements	Exhibit E
Items Provided by Anaconda	Exhibit F
Confidentiality, Intellectual Property Indemnity, and License	Exhibit G

ARTICLE 2 - DEFINITIONS

2.0 The following terms when used throughout this Agreement shall have the meaning ascribed herein unless such meaning is clearly precluded by the context in which the term is used:

- 2.1 "Agreement" means this Agreement, including all Exhibits, attachments, any items specifically incorporated by reference, and any amendments thereto.
- 2.2 "Work" means the work and services to be performed by Contractor under this Agreement.
- 2.3 "Site" means the site upon which the casting facility is to be constructed.
- 2.4 "Subcontractor" means a third party, at any tier, supplying services under contract to Contractor or another Subcontractor with or without equipment.
- 2.5 "Equipment" means any or all materials, supplies, equipment and facilities, of whatever nature, intended to become a permanent part of the casting facility.
- 2.6 "Vendor" means a third party, at any tier, supplying any Equipment to Contractor or Subcontractor with or without the services of supervision of installation at the Site, but without installation labor at the Site.
- 2.7 "Anaconda's Representative" means the person identified in Article 3 herein to whom Contractor shall refer all questions, give all notices, and submit all requests for approvals, authorizations, invoices, and progress reports as required. Unless otherwise indicated in this Agreement, all required approvals, or reasons for disapprovals, shall be furnished to Contractor within ten (10) working days of receipt by Anaconda's Representative.
- 2.8 "Approved Work Schedule" means a schedule for the Work which has been reviewed and approved in writing by Anaconda.

2.9 The term "day" means a calendar day.

2.10 "Estimated Cost" means all reimbursable costs, exclusive of fee, estimated to be required to perform the Work as defined in the exhibit to this Agreement entitled "Compensation and Payment".

2.11 "Mechanical Completion" means that the Work is substantially complete and ready for checkout and start-up.

2.12 "Commercial Operation" occurs at that time at which all operating equipment has been installed and has satisfactorily met all mechanical, electrical and operational tests demonstrating production capabilities of at least ninety percent (90%) of equipment design performance as required by Anaconda, and the facilities are in other respects sufficiently complete in accordance with the drawings and specifications so that they are safely usable for the operation for which they were designed.

ARTICLE 3 - NOTICES

- 3.0 All notices required under this Agreement shall be sufficient in all respects if sent to Anaconda and Contractor at their office addresses, directed as follows:

To Anaconda:

ANACONDA Aluminum Company
Post Office Box 32860
600 West Main Street
Louisville, Kentucky 40232
Attention: Richard K. Chapman
Project Manager

To Contractor:

Catalytic, Inc.
Highway 51 & Johnston Road
P. O. Box 240232
Charlotte, North Carolina 28224
Attention: Arthur M. Salmen
Project Manager

- 3.1 Except as otherwise specifically provided in this Agreement, any notices hereunder shall be in writing and shall be deemed delivered when served personally on the party to whom addressed, or when deposited in the mail, registered or certified, postage prepaid, addressed to such person at the address, and to the attention of the person, as provided in this Article, or when deposited with the operator for immediate telegraphic or other electronic communication, addressed as set forth above, provided that such electronic communication is promptly followed by a written notice addressed and mailed as aforesaid.
- 3.2 Either party may change the person and/or address to which notice shall be given by giving the other party written notice of such change.

ARTICLE 4 - OTHER PROVISIONS

4.0 The following provisions are hereby made a part of this Agreement:

- 4.1 In performing the Work, Contractor is an independent contractor and not an employee, representative or agent of Anaconda.
- 4.2 No delay or failure on the part of Anaconda in exercising any rights under this Agreement, and no partial or single exercise of such rights, shall constitute a waiver of such rights or of any other rights under this Agreement.
- 4.3 The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision. The parties will execute any further instruments or perform any acts which are necessary to effectuate the terms and provisions of this Agreement.
- 4.4 This Agreement shall be construed and the rights and duties of the parties determined in accordance with the laws of the State of Montana.
- 4.5 This Agreement constitutes the entire agreement and understanding between the parties hereto and supersedes any and all prior agreements, inducements, representations and understandings, oral or written, pertaining to the Work. No amendments or modifications of this Agreement shall be valid unless evidenced in writing and signed by duly authorized representatives of the parties.

The parties have executed this Agreement to be effective on the date first above written.

Catalytic, Inc.

ANACONDA Aluminum Company, a
Division of Atlantic Richfield
Company

By *CA Foster*

By *Richard Venturone*

Title Vice President

Title PRESIDENT

Date 07 January 1982

Date 1/11/82

EXHIBIT A - GENERAL TERMS AND CONDITIONS

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1. Performance of the Work by Contractor

- (a) Contractor shall perform all labor, services and supervision and furnish and pay for all transportation, Equipment, tools, supplies, material, utilities and all other items necessary to complete the Work, except as may be otherwise provided in this Agreement.
- (b) Contractor shall employ sufficient labor and supervision to work as many shifts per week as necessary to complete the various components of the Work by the interim completion dates specified in the Approved Work Schedule. Contractor shall enforce strict discipline and good order among its employees, and shall not employ on the Work any person that Anaconda in its sole discretion objects to for any reason.
- (c) To supervise the Work, Contractor shall employ competent supervisors satisfactory to Anaconda who shall be readily available at the Site or Contractor's Home Office, as required, during all working hours, and who shall have the authority to act for Contractor in all matters concerning the performance and scheduling of the Work. Prior to diverting any key supervisory, technical or management personnel assigned to the Work to other programs, Contractor shall notify Anaconda reasonably in advance and shall submit justification (including proposed substitutions) in sufficient detail to permit evaluation of the impact on the Work. No diversion shall be made by Contractor without the written consent of Anaconda.

2. Conditions Affecting the Work

- (a) Contractor shall be responsible for having taken steps reasonably necessary to ascertain the nature and location of the Work, including any visits to the Site, and the general and local conditions which can affect the Work

or the cost thereof. Any failure by Contractor to do so will not relieve it from responsibility for successfully performing the Work. Anaconda assumes no responsibility for any understanding or representations concerning conditions made by any of its officers, agents or employees prior to the execution of this Agreement, unless such understanding or representations by Anaconda are expressly stated in the Agreement.

- (b) Before undertaking the Work, Contractor shall, in the exercise of its expert and professional judgment, examine and verify, to the extent practicable, all information contained in or furnished in connection with this Agreement, and shall at once report in writing to Anaconda any error, omission or discrepancy in such information.

3. Changes

- (a) Anaconda may at any time, by a written order, make changes within the general scope of this Agreement consisting of additions, deletions or other revisions of a major or minor nature. Contractor shall proceed with the performance of the Work as so changed, except as provided in paragraph (d) below.
- (b) If any such change causes an increase or decrease in the Estimated Cost of, or the time required for, the performance of any part of the Work under this Agreement, or otherwise affects any other provision of this Agreement, an equitable adjustment shall be made:
 - (1) in the Estimated Cost or time, or both;
 - (2) in the amount of any fee to be paid to Contractor; and
 - (3) in such other provisions of the Agreement as may be affected, and the Agreement shall be modified in writing accordingly.
- (c) Any claim by Contractor for adjustment under this clause must be asserted within twenty (20) days from the date of

receipt by Contractor of the notification of change; provided, however, that Anaconda, if it decides that the facts justify such action, may receive and act upon any such claim asserted at any time prior to final payment under this Agreement.

- (d) Notwithstanding the provisions of paragraphs (a), (b) and (c) above, the Estimated Cost of this Agreement shall not be increased or decreased or deemed to be increased or decreased nor shall the Approved Work Schedule be changed or deemed to be changed except by specific written modification of this Agreement indicating the new Estimated Cost and/or Approved Work Schedule. Until such modification is made, Contractor shall not be obligated to continue performance or incur costs beyond the Estimated Cost of this Agreement.

4. Limitation of Cost

- (a) It is estimated that the total cost to Anaconda for the performance of this Agreement, exclusive of any fee, will not exceed the Estimated Cost set forth in the exhibit to this Agreement entitled "Compensation and Payment", and Contractor agrees to use its best efforts to perform the Work within such Estimated Cost. If, at any time, Contractor has reason to believe that the costs which it expects to incur in the performance of this Agreement in the next succeeding sixty (60) days, when added to all costs previously incurred, will exceed seventy-five (75) percent of the Estimated Cost, or if, at any time, Contractor has reason to believe that the total cost to Anaconda for the Work, exclusive of any fee, will be greater or substantially less than the Estimated Cost, Contractor shall notify Anaconda in writing to that effect, giving the revised estimate of such total cost for the Work.
- (b) Except as required by other provisions of this Agreement specifically citing and stated to be an exception to this clause, Anaconda shall not be obligated to reimburse Contractor for costs incurred in excess of the Estimated Cost, and Contractor shall not be obligated to continue performance under this Agreement or otherwise to incur costs in excess

of the Estimated Cost, unless and until Anaconda shall have notified Contractor in writing that such Estimated Cost has been increased and shall have specified in such notice a revised Estimated Cost which shall thereupon constitute the Estimated Cost of the Work. No notice, communication, or representation in any other form shall affect the Estimated Cost of this Agreement. In the absence of the specified notice, Anaconda shall not be obligated to reimburse Contractor for any costs in excess of the Estimated Cost, whether those excess costs were incurred during the course of the Work or as a result of termination. When and to the extent that the Estimated Cost has been increased, any costs incurred by Contractor in excess of the Estimated Cost prior to such increase shall be reimbursed to the same extent as if such costs had been incurred after the increase; unless Anaconda issues a termination or other notice and directs that the increase is solely for the purpose of covering termination or other specified expenses.

- (c) Change orders issued pursuant to the Changes clause of this exhibit shall not be considered an authorization to Contractor to exceed the Estimated Cost in the absence of a statement in the change order, or other contract modification, increasing the Estimated Cost.

5. Specifications and Drawings

- (a) Contractor shall keep at the Site at least two (2) copies of the specifications and drawings and shall at all reasonable times give Anaconda access thereto. Contractor shall include incorporation (by redlines) of corrections and modifications resulting from field approved changes, and updates resulting from approved change orders, to maintain the specifications and drawings in an "as-built" condition. Contractor shall deliver two (2) copies of "as-built" specifications and drawings to Anaconda within fifteen (15) days of completion of the Work.

- (b) Anything mentioned in the specifications and not shown on the drawings, or shown on the drawings and not mentioned in the specifications, shall be of like effect as if shown or mentioned in both. In case of difference between specifications and drawings, the specifications shall govern. In case of discrepancy in either the specifications or drawings, the matter shall be promptly submitted to Anaconda, which shall promptly make a determination in writing. Any adjustment made by Contractor without such a determination shall be at its own risk.

6. Payment

- (a) For the performance of the Work, Anaconda shall pay Contractor the Estimated Cost and such fee, if any, as determined by Anaconda to be reimbursable or payable in accordance with the general terms and conditions of this Agreement and the exhibit to this Agreement entitled "Compensation and Payment".
- (b) During the Definition Phase of the Work, as defined in Exhibit B to this Agreement, payments shall be made to Contractor by Anaconda as follows:
 - (1) Anaconda shall make payments to Contractor when requested as the Work progresses, but not more frequently than monthly, in amounts approved by Anaconda. Contractor shall submit to Anaconda, in such form and reasonable detail as Anaconda may require, an invoice for each request for payment supported by a statement of cost for the performance of this Agreement and claimed to constitute reimbursable costs as defined in the exhibit to this Agreement entitled "Compensation and Payment". Payment of the fee, if any, shall be made to Contractor as specified in the exhibit to this Agreement entitled "Compensation and Payment". Within fifteen (15) days after receipt of such invoice and statement of cost, Anaconda shall make payment thereon as approved by Anaconda.
 - (2) Each invoice shall be accompanied by an affidavit of Contractor, in a form satisfactory to Anaconda, that all amounts due and payable for labor and Equipment have been paid in full by Contractor.
- (c) During the Design and Construction Phase of the Work, as defined in Exhibit B to this Agreement, payments shall be made to Contractor by Anaconda as follows:
 - (1) All reimbursable costs, as defined in Paragraphs 2.1 and 2.2 of Exhibit C of this Agreement, will be paid for by utilizing a zero-balance bank account maintained by Anaconda. Contractor shall prepare and document as required, in a manner satisfactory to Anaconda, the requirements for payments to Vendors, Subcontractors, Contractor and all others due reimbursement in the performance of the Work. Upon receipt of such notification, Anaconda shall review the requested payments within two (2) working days. Contractor will not cause funds to be disbursed from Anaconda's zero-balance bank account without prior approval of Anaconda. Contractor shall draw checks against the zero-balance bank account

only for payment of costs reimbursable to Contractor in the performance of this Agreement as they become due, and such bank account shall not be used to pay any part of the fee as set forth in this Agreement.

- (2) Within the first ten (10) working days of each month Contractor shall provide Anaconda with an itemized accounting showing costs which have been reimbursed from the zero-balance bank account for the previous month. Each such itemized accounting shall be accompanied by an Affidavit of Contractor, in a form satisfactory to Anaconda, that all amounts due and payable for labor and Equipment have been paid in full by Contractor.
- (d) Title to all Work completed, Work in the course of construction and Equipment, on account of which payment has been made to Contractor, shall be in Anaconda.
- (e) Upon completion and acceptance of all Work, the balance due Contractor under this Agreement shall be paid upon the presentation of (1) a properly executed invoice, (2) a release of all claims against Anaconda, in a form satisfactory to Anaconda, arising by virtue of this Agreement, other than claims in stated amounts as may be specifically excepted by Contractor from the operation of the release, and (3) an assignment in a form satisfactory to Anaconda, of all Contractor's rights under warranties or guarantees of any Subcontractors or Vendors, along with copies of such warranties and guarantees compiled in a single volume, grouped by trade, and properly indexed.
- (f) Notwithstanding the conditions set forth in the foregoing paragraphs of this clause, Anaconda may, without invalidating this Agreement, withhold payments to Contractor if:
 - (1) Work is found defective and not remedied;
 - (2) Contractor fails to comply with the Approved Work Schedule;
 - (3) Contractor does not promptly pay all amounts due for labor or Equipment;

- (4) Contractor does not make prompt and proper payments to Subcontractors or Vendors;
 - (5) Contractor fails to respond to claims of damage of another contractor as a result of an act for which Contractor is responsible;
 - (6) Claims or liens are filed on the Work; or,
 - (7) Contractor fails to perform any other material obligation under this Agreement.
- (g) In case of a dispute over any part of any invoice or payment request, Anaconda shall not delay payment of the undisputed part of the invoice or payment request.

7. Inspection and Acceptance

- (a) All Work shall be subject to inspection and test by Anaconda at all reasonable times and places prior to acceptance. Any such inspection and test is for the sole benefit of Anaconda and shall not relieve Contractor of the responsibility of providing quality control measures to assure that the Work strictly complies with this Agreement. No inspection or test by Anaconda shall be construed as constituting or implying acceptance.
- (b) Contractor shall furnish promptly all facilities, labor and material reasonably needed for performing such safe and convenient inspection and test as may be required by Anaconda. All inspection and test by Anaconda shall be performed in such manner as not to unnecessarily delay the Work.
- (c) At any time prior to acceptance of the Work, Anaconda may require Contractor to remedy by correction or replacement, as directed by Anaconda, any failure by Contractor to comply with the requirements of this Agreement. The reimbursement of the cost of any such replacement or correction shall be made to the extent such cost is reimbursable in accordance with the exhibit to this Agreement entitled "Compensation and Payment", but no additional fee shall be payable with respect thereto. If Contractor fails to proceed with reasonable promptness to perform such replacement or correction, Anaconda

- (1) may by contract or otherwise perform such replacement or correction and charge to Contractor any increased cost occasioned Anaconda thereby, or may reduce any fee payable under the Agreement (or require repayment of any fee previously paid) in such amount as may be equitable under the circumstances; or
 - (2) in the case of Work not completed in accordance with the requirements of this Agreement, may, at its option, accept such Work as is, and shall have the right to reduce any fee payable under this Agreement (or to require repayment of any fee previously paid) in such amount as may be equitable under the circumstances; or
 - (3) may terminate this Agreement for default.
- (d) Notwithstanding the provisions of paragraph (c) above, Anaconda may at any time prior to acceptance of the Work require Contractor to remedy by correction or replacement, without cost to Anaconda, any failure by Contractor to comply with the requirements of this Agreement, if such failure is due to negligence, fraud, lack of good faith, or willful misconduct on the part of Contractor.
- (e) The Work shall be deemed completed and finally accepted by Anaconda thirty (30) days after receipt of a written notice of completion from Contractor, unless Anaconda, within said thirty (30) days period, shall give written notice specifying in detail wherein the Work fails to conform with the requirements of this Agreement. Contractor shall thereupon promptly make necessary corrections and upon completion of the Work, Contractor shall again notify Anaconda in writing and the above process shall be repeated. Acceptance shall be final and conclusive except as regards latent defects, fraud, or such gross mistakes as may amount to fraud, or as regards Anaconda's rights under any warranty or guarantee.

8. Schedule

- (a) Contractor shall submit to Anaconda a proposed schedule for the Work in a form and manner in conformance with the exhibit to this Agreement entitled "Project Control Requirements".

- (b) After review and approval of the proposed schedule in writing by Anaconda, the Approved Work Schedule shall be binding on both parties and shall be changed only in accordance with the provisions of this Agreement.
- (c) In the event Contractor encounters difficulty in meeting performance requirements, or anticipates difficulty in complying with the Approved Work Schedule, Contractor shall immediately notify Anaconda thereof in writing, giving pertinent details, including the date by which it expects to complete performance or obtain compliance with the Approved Work Schedule. However, this notification shall be informational only in character and receipt thereof by Anaconda shall not be construed as a waiver by Anaconda of the Approved Work Schedule, or any rights or remedies provided by law or under this Agreement.

9. Termination for Convenience

- (a) Anaconda may terminate this Agreement for its convenience in whole, or from time to time in part, upon giving written notice to Contractor. After receipt of the termination notice, and except as otherwise directed by Anaconda, Contractor shall:
 - (1) Stop work under the Agreement on the date and to the extent specified in the notice;
 - (2) Place no further orders or subcontracts for Equipment or services, except as may be necessary for completion of such portion of the Work as is not terminated;
 - (3) Terminate all orders and subcontracts to the extent that they relate to the Work terminated;
 - (4) Assign to Anaconda, as directed by Anaconda, all of the right, title and interest of Contractor under the orders and the subcontracts so terminated, in which case Anaconda shall have the right, in its discretion, to settle or pay any or all claims arising out of the termination of such orders and subcontracts;

- (5) Settle all outstanding liabilities and all claims arising out of such termination of orders and subcontracts, with approval by Anaconda;
 - (6) Transfer title and deliver to Anaconda, as directed by Anaconda, all Work, completed and in process, which has been terminated;
 - (7) Complete performance of such part of the Work not terminated;
 - (8) Release to Anaconda, as directed by Anaconda, Contractor's construction equipment, Equipment and facilities necessary for completion of the Work by whatever method Anaconda desires; and
 - (9) Take such action as may be necessary, or as Anaconda may direct, for the protection and preservation of property, including Equipment, related to this Agreement which is in the possession of Contractor and in which Anaconda has or may acquire an interest.
- (b) After receipt of the termination notice, Contractor shall submit to Anaconda its termination claim, in a form satisfactory to Anaconda. Such claim shall be submitted promptly but in no event later than three (3) months from the effective date of termination, unless extensions of time are granted in writing by Anaconda.
- (c) Subject to (b) above, Contractor and Anaconda may agree upon the whole or any part of the amount to be paid to Contractor by reason of the total or partial termination of Work pursuant to this clause, which amount may include (1) compensation for all Work satisfactorily performed to date of termination, including a reasonable allowance for fee, if any; and (2) all actual and reasonable costs incurred by Contractor as a consequence of such termination, including, but not limited to, monthly rental payments for the use of Contractor's construction equipment as set forth in the exhibit to this Agreement entitled "Compensation and Payment". Anaconda shall not be liable to pay any bonus, damage or other claim by Contractor for its expected fee on the uncompleted portion of the Work.

- (d) Contractor's obligation set forth in Exhibit G to this Agreement entitled "Confidentiality, Intellectual Property Indemnity, and License" shall survive termination hereunder. Contractor shall insure that any secrecy obligations extended by it to Subcontractors and Vendors under Paragraph I(a)(2) of Exhibit G shall also survive termination hereunder of this Agreement.

10. Termination for Default

- (a) Anaconda may, by written notice to Contractor, without limitation or exclusion of any other right or remedy provided by law or under this Agreement, terminate Contractor's right to proceed with the Work if:
- (1) Contractor refuses or fails to prosecute the Work with such diligence as will insure its completion within the time specified in this Agreement;
 - (2) Contractor becomes bankrupt or insolvent, voluntarily or involuntarily, an assignment is made for the benefit of creditors, an appointment is made of a receiver of its assets, or a proceeding is instituted for any of the foregoing;
 - (3) Contractor fails to provide sufficient workers, suitable Equipment, or adequate supervision;
 - (4) Contractor fails to make prompt and proper payments due for labor or Equipment to its employees, Subcontractors, or Vendors;
 - (5) Contractor fails to promptly correct any defective or nonconforming Work; or
 - (6) Contractor fails to perform any other material obligation required by this Agreement.
- (b) If Contractor's right to proceed is so terminated, Anaconda may take over the Work and prosecute the same to completion, by contract or otherwise, and may take possession of and utilize Contractor's construction equipment, Equipment and facilities necessary for completion of the Work.

- (c) After receipt of the termination notice, Contractor shall immediately discontinue the Work, preserve and protect all completed and uncompleted Work as may be directed by Anaconda, and submit to Anaconda its termination claim, in a form satisfactory to Anaconda. Such claim shall be submitted promptly but in no event later than three (3) months from the effective date of termination, unless extensions of time are granted in writing by Anaconda. Contractor shall not be entitled to receive any further payment from Anaconda until the Work is completed.
- (d) Subject to (c) above, Contractor and Anaconda may agree upon the whole or any part of the amount to be paid to Contractor by reason of the termination of Work pursuant to this clause, which amount may include (1) compensation for all Work satisfactorily performed to date of termination, including a reasonable allowance for fee, if any; and (2) all actual and reasonable costs incurred by Contractor as a consequence of such termination, including, but not limited to, monthly rental payments for the use of Contractor's construction equipment as set forth in the exhibit to this Agreement entitled "Compensation and Payment". However, Anaconda shall not be liable to pay any bonus, damage or other claim by Contractor for its expected fee on the uncompleted portion of the Work or any expenses associated with the preparation of its termination claim.
- (e) If Anaconda terminates Contractor's right to proceed with the Work asserting one of the grounds set out in (a) above, and such grounds are subsequently determined to be inapplicable, Anaconda's action shall then be deemed to be a termination pursuant to the clause of this exhibit entitled "Termination for Convenience".

- (f) Contractor's obligation set forth in Exhibit G to this Agreement entitled "Confidentiality, Intellectual Property Indemnity, and License" shall survive termination hereunder. Contractor shall insure that any secrecy obligations extended by it to Subcontractors and Vendors under Paragraph I(a)(2) of Exhibit G shall also survive termination hereunder of this Agreement.

11. Equipment and Workmanship

- (a) Unless otherwise specifically provided in this Agreement, all Equipment shall be new and of the most suitable grade for the purpose intended.
- (b) Whenever Equipment is identified in the specifications or drawings by reference to manufacturers' or Vendors' names, trade names, catalog numbers or the like, it is so identified, unless otherwise expressly stated, for the purpose of establishing a standard, and any Equipment of other manufacturers or Vendors which will perform adequately the duties imposed by the general design will be considered equally acceptable providing the Equipment so proposed is, in the opinion of Anaconda, of equal substance, appearance and function. When required by this Agreement or when called for by Anaconda, Contractor shall furnish to Anaconda for approval full information, including samples if requested, concerning the Equipment. Equipment installed or used without required approval shall be at the risk of subsequent rejection.
- (c) All Work under this Agreement shall be performed in a neat, skillful and workmanlike manner, be of high quality, and in strict accordance with the drawings and specifications which have the approval of Anaconda.

12. Suspension of Work

- (a) Anaconda may, at any time, by written order to Contractor, require Contractor to suspend all, or any part of, the Work for a period of ninety (90) days after the order is delivered to Contractor, and for any further period to which the parties may agree. Any such order shall be specifically identified as a Suspension of Work Order issued pursuant to this clause. Upon receipt of such an order, Contractor shall forthwith comply with its terms and take all reasonable steps to minimize the incurrence of cost allocable to the Work covered by the order during the period of work suspension. Within a period of ninety (90) days after a Suspension of Work Order is delivered to Contractor, or within any extension of that period to which the parties shall have agreed, Anaconda shall either:
- (1) cancel the Suspension of Work Order, or
 - (2) terminate the Work covered by such order as provided in the clause of this exhibit entitled "Termination for Convenience".
- (b) If a Suspension of Work Order issued under this clause is cancelled or the period of the order or any extension thereof expires, Contractor shall resume the Work. An equitable adjustment shall be made in the Approved Work Schedule, the Estimated Cost, the fee, if any, or a combination thereof, and in any other provisions of the Agreement that may be affected, and the Agreement shall be modified in writing accordingly, if
- (1) the Suspension of Work Order results in an increase in the time required for, or in Contractor's cost properly allocable to, the performance of any part of this Agreement; and
 - (2) Contractor asserts a claim for such adjustment within thirty (30) days after the end of the period of work suspension; provided that, if Anaconda decides the facts justify such action, it may receive and act upon any such claim asserted at any time prior to final payment under this Agreement.

- (c) If a Suspension of Work Order is not cancelled and the Work covered by such order is terminated for the convenience of Anaconda, the reasonable costs resulting from the Suspension of Work Order shall be allowed in arriving at the termination settlement.

13. Equal Opportunity

- (a) Contractor will not discriminate against any employee or applicant for employment because of race, color, sex, religion, national origin or age. Contractor will take affirmative action to insure that applicants are employed and that employees are treated during employment without regard to their race, color, sex, religion, national origin or age. Such action shall include, but not be limited to, the following:
 - (1) Employment, upgrading, demotion or transfer;
 - (2) Recruitment or recruitment advertising;
 - (3) Layoff or termination;
 - (4) Rates of pay or other forms of compensation;
and
 - (5) Selection for training, including apprenticeship.
- (b) Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices setting forth the requirements of the nondiscrimination provisions in (a) above.
- (c) Contractor certifies that it does not and will not maintain or provide for its employees any segregated facilities at any of its establishments, and that it does not and will not permit its employees to perform their services at any location, under its control, where segregated facilities are maintained. As used in this certification, the term "segregated facilities" means any waiting rooms, work areas, rest rooms and wash rooms, restaurants and other eating areas, time clocks, locker rooms and other storage

or dressing areas, parking lots, drinking fountains, recreation or entertainment areas, transportation, and housing facilities provided for employees which are segregated by explicit directive or are in fact segregated on the basis of race, color, religion, natural origin or age, because of habit, local custom or otherwise. Contractor's policies and practices must assure appropriate physical facilities to both sexes.

14. Subcontractors and Vendors

Contractor shall only contract with Subcontractors and Vendors that Anaconda, in its sole discretion, has approved in writing. There shall be no contractual relationship between Anaconda and any Subcontractor or Vendor with respect to the Work performed under this Agreement. Contractor shall be as fully responsible to Anaconda for the performance, or nonperformance of any Subcontractor or Vendor as Contractor is for its own performance or nonperformance, except that Contractor's responsibility for Vendors' warranties is limited to the obligations set forth in the clause of this exhibit entitled "Vendors' Warranties".

15. Licenses and Permits

- (a) Contractor shall obtain in writing and provide to Anaconda, as soon as practicable, copies of all licenses, permits and authorizations required for the Work, except as may be otherwise set forth in the exhibit to this Agreement entitled "Items Provided by Anaconda".
- (b) Contractor shall comply with any applicable Federal, State, and municipal laws, codes and regulations in connection with the Work, including but not limited to those relating to health, safety and environmental protection.

16. Safety

- (a) Contractor shall be responsible for initiating, maintaining and supervising all safety precautions and programs in connection with the Work.

- (b) Contractor shall take all reasonable precautions for the safety of, and shall provide all reasonable protection to prevent damage, injury or loss to:
 - (1) All personnel at the Site and all others who may be affected thereby;
 - (2) All the Work and all Equipment, whether in storage on or off the Site, under the care, custody or control of Contractor; and
 - (3) Other property at the Site or adjacent thereto.

17. Force Majeure

- (a) Contractor will be granted an extension of time to the extent its performance is adversely affected by a cause beyond the reasonable control and without the fault or negligence of Contractor. Such causes include, but are not limited to, acts of God, acts of the public enemy, acts of the government, acts of another contractor in the performance of a contract with Anaconda, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, unusually severe weather, or delays of Subcontractors or Vendors arising from unforeseeable causes beyond the control and without the fault or negligence of both Contractor and such Subcontractors or Vendors.
- (b) Contractor shall notify Anaconda promptly of any occurrence or conditions which in Contractor's opinion entitle it to an extension of time. Such notice shall be in writing and shall be submitted in ample time to permit full investigation and evaluation of Contractor's claim.

18. Taxes

- (a) Except as may be otherwise provided in this Agreement, the Estimated Cost includes all applicable Federal, State and local taxes and duties.

- (b) Contractor assumes full and exclusive responsibility and liability for withholding and paying as may be required by law, all Federal, State and local taxes and contributions with respect to, assessed against, or measured by Contractor's earnings hereunder or Contractor's employees' wages, or salaries or other contributions paid to Contractor's employees.

19. Insurance

- (a) Contractor shall, from the time of commencement of the Work until completion of the Work, provide and maintain in full force and effect insurance, with insurance companies satisfactory to Anaconda, in the types and amounts as set forth in the exhibit to this Agreement entitled "Insurance".
- (b) Within seven (7) days after the effective date of this Agreement, but in any event prior to moving onto the Site, Contractor shall furnish Certificates of Insurance to Anaconda containing, at a minimum, the following information:
 - (1) The types and amounts of insurance as set forth in the exhibit to this Agreement entitled "Insurance", including identification of insurance companies, agencies, policy numbers and expiration dates.
 - (2) An endorsement to all policies providing that underwriters and insurance companies of Contractor shall not have any right of subrogation against Anaconda and all subsidiaries, agents, employees, invitees, servants, subcontractors, insurers, underwriters and such other parties as Anaconda may designate.
 - (3) An endorsement to all policies providing that there will be no recourse against Anaconda for payment of premium.
 - (4) A provision that thirty (30) day prior written notice be given Anaconda in the event of cancellation or material change in the policies.
- (c) Upon request, Anaconda may examine true copies of the actual insurance policies and Anaconda may, at its option, require

additional types of insurance. The requirement for any such additional insurance shall be considered a change within the scope of the clause herein entitled "Changes".

- (d) Anaconda shall assume the risk of physical loss or damage to Equipment and Anaconda's existing property at or adjacent to the Site. Such assumption of risk, on behalf of Contractor, Subcontractors and Vendors, shall apply while Equipment is in transit to the Site, while in fabrication or awaiting transit, during installation or while in storage at the Site or elsewhere, and until Work is completed and accepted by Anaconda. Anaconda hereby indemnifies and saves harmless Contractor, Subcontractors and Vendors for loss or damage to Equipment and existing property as above described.
- (e) All construction equipment, tools, supplies and materials belonging to Contractor or rented or leased by Contractor for the Work shall be brought to and kept at the Site at Contractor's sole cost, risk and expense and Anaconda shall not be liable for loss or damage thereto and any insurance policies carried by Contractor on said construction equipment, tools, supplies and materials shall provide for waiver of underwriters right of subrogation against Anaconda.
- (f) Any coverage provided Anaconda by Contractor's insurance under this Agreement is primary insurance and shall not be considered contributory insurance with any insurance policies of Anaconda.
- (g) Contractor shall require all Subcontractors and Vendors to obtain, maintain and keep in force during the time in which they are engaged in performing Work, adequate coverage in accordance with Contractor's normal practice and furnish Anaconda acceptable evidence of such insurance upon request.
- (h) Contractor shall report to Anaconda as soon as practicable all accidents or occurrences resulting in injuries

or death to Contractor's employees, other persons employed at the Site or third parties, or damage to property of third parties arising from the Work, and shall furnish Anaconda copies of reports made by Contractor to its insurance companies or others.

- (i) Contractor is released by Anaconda and shall not be responsible for any claims or expenses of Anaconda, legal or otherwise, for damage to property, or for bodily injuries, including death, in excess of the limits of the insurance specified in Exhibit D to this Agreement entitled "Insurance".
- (j) Releases from and limitations on liability expressed in this clause shall apply even in the event of the fault or negligence of the party released or whose liabilities are limited hereby.

20. Indemnity

- (a) Contractor hereby indemnifies, protects and holds Anaconda harmless against and from:
 - (1) Any and all claims and liabilities, including costs and expenses, for bodily injury to, or death of persons caused by Contractor's negligence in the performance of this Agreement;
 - (2) Any and all claims and liabilities, including costs and expenses for loss or destruction of or damage to any property belonging to Contractor, Anaconda or third parties caused by Contractor's negligence in the performance of this Agreement that are not assumed by Anaconda as set forth in the clause of this exhibit entitled "Insurance"; and,
 - (3) Any fines, penalties, or other amounts assessed against Anaconda by reason of Contractor's failure to comply with all health, safety and environmental laws and regulations applicable to the Work;

all resulting directly or indirectly from, or occurring in the course of, Contractor's performance of the Work.

- (b) The indemnification, protection and hold harmless provisions set forth in (a) above shall not extend to such claims, liabilities and assessments, as described in (a) above, to the extent that same result from Anaconda's negligence or willful misconduct.

21. Other Contracts

Anaconda may undertake or award other contracts for additional work, and Contractor shall fully cooperate with such other contractors and Anaconda and carefully fit its own Work to such additional work as may be directed by Anaconda. Contractor shall not commit or permit any act which will interfere with the performance of work by any other contractor or by Anaconda.

22. Audit

- (a) Anaconda shall have, except as provided in (b) below, access to and the right to examine at all reasonable times, from commencement of the Work until two (2) years after final payment under this Agreement, any directly pertinent books, documents, papers and records of Contractor relating to this Agreement or the Work.
- (b) Anaconda does not have the right to audit the derivation of any rates, unit prices or lump sum amounts which have been fixed by agreement between the parties as may be shown in the exhibit to this Agreement entitled "Compensation and Payment", unless such fixed rates, unit prices or lump sum amounts change as a result of the termination of the Work to be performed under this Agreement.

23. Consequential Damages

Neither party shall be liable to the other for consequential damages arising out of or in connection with this Agreement.

24. Liens and Encumbrances

Contractor agrees to protect Anaconda from all liens for labor performed, Equipment supplied or used by Contractor and/or any other persons in connection with the Work, and shall not at any time during the term of this Agreement suffer or permit any lien or attachment or encumbrance to be imposed by any person, firm or corporation, upon the Work, any improvement thereon, or any Equipment, by reason of any claim or demand against Contractor or otherwise.

25. Contractor's Warranty

- (a) In addition to the requirements of Clause 7 of this exhibit and to any other specific warranties or guarantees required by, or furnished in connection with this Agreement, Contractor warrants (subject to the limitations set forth below) that the Work conforms to the requirements of this Agreement, is fit for its intended use, and is free of any defect of Equipment, labor or design furnished, or workmanship performed by Contractor or any of its Subcontractors. Such warranty shall be effective for a period of one (1) year from the earlier of March 15, 1984, or the date of Commercial Operation. However, Contractor does not warrant the Work against failures due to faulty operation of the casting facility by Anaconda, or by Anaconda's negligence, fraud, lack of good faith or willful misconduct. In addition, since the basic process used in the casting facility is not the sole conception of Contractor, Contractor makes no guarantees regarding the type, quality or quantity of products to be produced by Anaconda therein except where Contractor has made specific changes to the basic process or design without Anaconda's written approval. Under this warranty, Contractor shall remedy without interruption of Anaconda's occupancy,
- (1) Any such failure to conform or any such defect;
and
 - (2) Any damage to other work or property caused by such failure to conform or such defect.
- (b) The cost of any such replacement or correction under this warranty shall be borne as follows:
- (1) Contractor shall bear all cost of replacement, repair or correction if the failure, defect, or damage was due to Contractor's negligence, fraud, lack of good faith, or willful misconduct; otherwise
 - (2) Contractor shall bear only the cost of revising drawings and specifications, additional procurement services and additional construction management services necessary to correct the Work; and

- (3) Anaconda shall bear all remaining cost of replacement, repair or correction.

The reimbursement of the cost of any such replacement, repair or correction shall be made to the extent such cost is reimbursable in accordance with Exhibit C of this Agreement entitled "Compensation and Payment", but no additional fee shall be payable with respect thereto. Contractor's total financial liability for warranty work performed pursuant to Paragraph (b) (1) of this clause, excluding reimbursable "Home Office" and "Field Construction Staff" expenses as such terms are used in Paragraph 2.1 of Exhibit C, shall not exceed the fee payable to Contractor under this Agreement. Contractor's total financial liability for warranty work performed pursuant to Paragraph (b) (2) of this clause, however, shall not be limited and shall include all reimbursable "Home Office" and "Field Construction Staff" expenses necessary to fulfill the terms of this warranty.

- (c) Anaconda shall notify Contractor, in writing, within a reasonable time after discovery of any failure, defect, or damage, and Contractor shall repair or replace such defective or nonconforming Work within a reasonable time after receipt of such written notice. Contractor's warranty, with respect to Work repaired or replaced hereunder, will run for one (1) year from the date of such repair or replacement, provided, however, that Contractor's total period of warranty shall not exceed two (2) years from the earlier of March 15, 1984 or the date of Commercial Operation.
- (d) Notwithstanding the provisions of paragraph (b) above, should Contractor fail to remedy any failure, defect, or damage described above, within reasonable time after receipt of written notice, Anaconda shall have the right to replace, repair, or otherwise remedy such failure, defect, or damage at Contractor's expense.

26. Vendors' Warranties

For Equipment not manufactured by Contractor, Contractor's sole obligation shall be to use its best efforts to obtain and cause to be extended to Anaconda such warranties or guarantees as are available from the Vendors. Such warranties or guarantees shall extend over the longest possible period available to vendees, and Contractor shall use its best efforts to require Vendors to fulfill the obligations of their stated warranties or guarantees of Equipment furnished under this Agreement.

27. Removal of Waste and Debris

Contractor shall keep the Site and adjacent areas, including sidewalks, driveways and streets, free from rubbish and debris caused by Contractor's performance of the Work at all times and at completion of the Work shall leave the Site in a neat, clean and usable condition. If Contractor does not attend to such cleaning immediately upon request, Anaconda may cause such cleaning to be done by others and charge the cost thereof to Contractor.

28. Assignment

- (a) Contractor may not assign this Agreement, or any part of this Agreement, without the prior written consent of Anaconda.
- (b) Anaconda shall have the right to assign this Agreement, but such assignment shall not discharge or release Anaconda from its duties and obligations to Contractor in the event that Anaconda's assignee does not perform such duties and obligations.
- (c) Without waiver of the provisions above, all of the rights, benefits, duties, liabilities, and obligations of the parties hereto shall inure to the benefit of and be binding upon their respective successors and assignees.

EXHIBIT B - STATEMENT OF WORK

1.0 Background

Anaconda is presently designing and constructing a major aluminum rolling facility in Logan County, Kentucky. This facility, scheduled for completion in late 1983, will require large sheet ingots with a maximum weight of 60,000 pounds. The plant will be capable of rolling sheet in any alloy used by industry. Design emphasis for the plant provides the ability to fabricate hard alloys typically used for canstock and automotive sheet products, as well as typical common and clad alloys. Production of these large ingots will require new casting facility installation and/or major modifications to existing facilities at Anaconda's reduction operation at Columbia Falls, Montana.

2.0 Objective

The objective of the Work to be performed under this Agreement is the concept definition, detailed design, procurement of all major equipment and materials, construction and start-up assistance of a casting facility capable of producing any aluminum alloy sheet ingot, with particular emphasis on canstock, hard, high purity and common alloys.

3.0 Scope of Work

3.1 General Design Criteria - The following general design criteria shall be applied to the Work:

3.1.1 Capacity - Approximately 220 million pounds per year of aluminum sheet ingot.

3.1.2 Ingot Sizes - Range from 13" to 30" in thickness, 36" to 82" in width, and 200" to 300" in length.

- 3.1.3 Ingot Weight - Maximum weight not to exceed 60,000 pounds.
- 3.1.4 Metal Sources - Molten potline metal, external scrap in sow form from Used Beverage Containers (UBC) and other scrap sources, and internally generated scrap typical to a reduction operation. Loose, shredded, oily, painted or contaminated scrap will not be used.
- 3.1.5 Alloys - Typical alloys cast will be in the 1000, 3000, 5000 and 7000 series. Most common will be 1100, 1145, 3003, 3004, 3005, 5005, 5052, 5082, 5182 and 7072. The facility must also be capable of casting any alloy including 2000 and 6000 series heat treatables.
- 3.1.6 Process Control Systems - A high degree of process control will be used to meet rigid sheet ingot quality and purity requirements typical to can-stock and automotive fabricated sheet products.
- 3.1.7 Expandability - The facility shall be designed to readily provide for future expansions of one or two additional casting units of similar capacity.
- 3.1.8 Energy Efficiency - The facility shall be designed in an energy efficient manner. Presently, the primary fuel is natural gas and the backup fuel is propane. Waste heat uses should also be considered and analyzed.
- 3.1.9 Maintenance - Reliability, accessability and repairability shall be emphasized in the design to minimize downtime.

- 3.1.10 Operating Efficiency - The facility shall be design to minimize operating costs by emphasizing high productivity rates; utilizing effective material handling methods and molten metal filters; employing modern furnace stirring, raking and cleaning methods; accurately and rapidly performing quality control and analysis tests; and utilizing automatic features for control of casting speeds, ingot shape, bow, and length.
- 3.2 Definition Phase - Contractor shall perform, or cause to be performed, the following tasks which comprise the Definition Phase of the Work:
- 3.2.1 Site Evaluation - Evaluate the following two sites as potential locations for the casting facility:
- . Expansion to the east side of the rod casting building (see Drawing AU-3000). The design shall consider use of the existing building (e.g., for scrap metal storage, processing and handling and/or dross processing).
 - . Expansion to the south end of the existing casting facility (see Drawing J-1960).

In conducting the analysis, the following factors, as a minimum, shall be considered:

- . Future expandability
- . Capital costs
- . Completion schedules
- . Operating costs, short and long term, including maintenance
- . Impact on existing operations during construction and start-up

- . Regulatory issues - environmental, safety, industrial hygiene, etc.
- . Molten metal transfer from the potlines
- . Ingot storage and shipment
- . Dross handling and processing

At the conclusion of the analysis, Contractor shall furnish the results to Anaconda, including all supporting documentation.

3.2.2 Casting Facility Preliminary Design - Review and evaluate available and compatible process technologies, equipment, buildings, support facilities, and identify potential sources for:

- . Buildings
- . Utilities and services (water, gas, air, electrical supply, etc.)
- . Furnaces: Melting
 Holding
 Sow and/or preheat
- . Molten metal handling, weighing and charging systems
- . Molten metal filtration systems (ALCOA A-469 Mark II is available to Anaconda by a previous license agreement)
- . Moulds (size, style, shape)
- . D.C. casting equipment and controls
- . Cranes
- . Ingot handling, weighing and loading systems
- . UBC sow unloading, storage and handling systems
- . Dross processing and handling systems
- . Process cooling water requirements
- . Supply, discharge and possible re-use of process water (e.g., cooling tower versus once-in;once-out well water)

- . Spectrochemical requirements and lab location
- . Solid and hazardous waste disposal methods
- . Maintenance facilities
- . Support equipment
- . Pollution control equipment
- . Lifting devices
- . Mould storage, conditioning and repair facilities

Preliminary design work should, as a minimum, consist of conceptual layouts, including equipment sizing calculations and tie-ins to existing systems, equipment lists, equipment bidders lists, and process flow diagrams, including emission levels and sources (Particulates, SO₂, CO, NOx, VOC).

3.2.3 Environmental Considerations - Because of its proximity to Glacier National Park, a Class I air quality area, the Columbia Falls plant must meet stringent air quality, water quality, solid and hazardous waste disposal, and other environmental standards. Environmental and construction permit activities will be coordinated by Anaconda with technical assistance by Contractor as required.

3.2.4 Conceptual Estimate - Contractor shall prepare within sixty (60) days of initiation of the Definition Phase, a Conceptual Estimate on the cost of the Design and Construction Phase. The basic data required for this estimate are:

- . Site location
- . Demolition definition
- . Existing utilities definition
- . Preliminary flowsheet showing equipment sizes
- . Telephone quotations for equipment costs
- . In-house historical data for costs on equipment installation, civil, electrical, indirects, etc., or actual cost data for similar facilities.

3.2.5 AFE Control Estimate - As a product of the Definition Phase, a detailed capital cost estimate is required. This estimate shall be referred to as the AFE Control Estimate. The AFE Control Estimate shall have a bottom line accuracy of $\pm 15\%$ for each major discipline and/or facility. The AFE Control Estimate shall consist of detailed estimates for each of the facilities and/or disciplines summarized to the highest level of the total project. The AFE Control Estimate shall include, but not be limited to the following categories:

(a) Direct Cost

- (1) Site Preparation and Earthwork: detailing labor manhours and dollars, material and subcontracts required to prepare the site for construction, to maintain good drainage, prepare the site for road construction, and perform all other necessary earthwork.
- (2) Concrete: detailing labor manhours and dollars, material and subcontracts required to prepare all equipment, building and miscellaneous concrete foundations.
- (3) Buildings and Structures: detailing labor manhours and dollars, as well as materials required to erect each major facility or structure. This

category should include structural steel, architectural specialties, etc.

- (4) Equipment Cost and Installation: consisting of labor manhours and dollars, by major craft, to install the equipment in each major structure or facility, as well as a summary for the overall project. The equipment cost shall be based on Vendor quotes and shown as material cost.
 - (5) A Project Equipment List: including types of equipment to be purchased, sizes, flow rates, horsepower, etc.
 - (6) Piping: detailing labor manhours and dollars, as well as material and subcontract cost required to install process and utility piping.
 - (7) Electrical: detailing labor manhours and associated dollars, material and subcontract cost required to install electrical equipment, grounding, conduit, wire and cable, etc.
 - (8) Painting : detailing labor manhours and associated dollars, material and subcontract cost for pipe, equipment, structures, etc.
 - (9) Insulation: detailing labor manhours and associated dollars, material and subcontract cost for both pipe and equipment insulation.
 - (10) Instruments and Controls: detailing labor manhours and associated dollars, material and subcontracts for all plant automation and instrumentation.
- (b) Indirect Cost
- (1) Field Expense: detailing burden, overhead, fringes, insurance, etc., on direct personnel. The estimate shall detail both dollars and percentages of direct labor dollars.

- (2) Construction Staff - an estimate of required construction management or supervision for the project: consisting of labor manhours and dollars. This portion of the estimate shall include a detailed breakout of the estimated costs for burdens, overheads, travel, reproduction, communications, etc. The estimate shall detail both dollars and percentages of direct labor dollars and include a schedule.
 - (3) Construction Supplies: detailing all consumable supplies and small tools.
 - (4) Temporary Facilities: detailing all temporary buildings and structures required to support both direct and indirect forces. This shall include a schedule of buildings and structures detailing sizes, cost and job duration.
 - (5) Construction Equipment: detailing all construction equipment required to support the direct forces. Included shall be any equipment item rented, leased or bought. Estimate shall detail fuel, oil, spare parts, etc., and anything required to maintain construction equipment. This shall include a schedule of construction equipment detailing type, cost and job duration.
- (c) Design Engineering - Labor manhours and dollars, by major discipline, for the detailed design of each facility or structure, summarized to a total project level. This portion of the estimate shall also include a detailed breakout of the estimated costs for burdens, overheads, travel, reproduction, communications, etc. The estimate shall detail both dollars and percentages of direct labor dollars.
 - (d) Escalation - Shall be included in the lowest levels of the estimate.
 - (e) Contingencies - Estimate required for each major structure or facility, as well as a summary for the overall project. These estimates shall be based on a formal risk analysis.

- (f) A Productivity analysis of the factors used in the estimating of the labor manhours, for both design and construction.
- (g) Assumptions - All assumptions, sketches, calculations, etc., shall be included in the estimate so that the estimator's logic is easy to read and follow to the lowest level of the estimate.

3.2.6 Master Project Schedule - Contractor shall prepare a detailed project schedule that relates directly to the AFE Control Estimate. See Exhibit E, paragraph 3.0 entitled "Scheduling Requirements" for schedule format. The schedule shall include, but not be limited to, at least 300 activities. A Project Procurement Schedule shall be prepared, highlighting pieces of equipment with a delivery schedule of longer than six (6) months, as well as an overall plan as to when orders should be placed for equipment, lead times, and scheduled delivery dates (should correspond with overall project schedule).

3.3 Design and Construction Phase - This phase consists of the detailed engineering, procurement and construction of the casting facility design developed during the Definition Phase. Major duties to be performed by Contractor include, but are not limited to, the following tasks:

3.3.1 Detailed Design

- . Develop drawings and specifications (including acceptance criteria) and perform other necessary detailed engineering functions as required to support all procurement and construction activities. All drawings shall conform to Anaconda's drafting standards for the Columbia Falls reduction operations.

- . Develop equipment start-up and operating procedures.

- . Develop equipment testing procedures.

3.3.2 Procurement - Contractor shall provide procurement services, subject to approval by Anaconda, as follows:

- . Prepare a procurement plan identifying Equipment purchase orders and a schedule of critical pre-award and post-award milestones for each order.

- . Prepare bidders lists.

- . Prepare, assemble and issue bid packages in accordance with Anaconda-approved documents, forms and procedures. All bid packages shall be approved by Anaconda prior to issuance.

- . Receive and evaluate bids, including conducting pre-award surveys and negotiations as required.

- . After approval of the award recommendation by Anaconda, prepare and execute purchase orders in accordance with Anaconda-approved documents, forms and procedures. All purchase orders shall be approved by Anaconda prior to execution by Contractor.

- . Coordinate engineering information, specifications and drawings directly with Vendors and furnish copies to Anaconda as required.

- . Perform shop inspection and monitor Vendor progress as required, including the preparation of all necessary supporting documentation.

- . Expedite deliveries as required.

- . Perform traffic services.

- . Receive, inspect, store and secure Equipment at the Site.

3.3.3 Definitive Estimate - Contractor shall prepare a Definitive Estimate when design engineering is between forty (40) and seventy (70) percent complete. This estimate shall be in the same format as the AFE Control Estimate described in Paragraph 3.2.5 of this Exhibit B, except that the Definitive Estimate shall have a bottom line accuracy of $\pm 8\%$ for each major discipline and/or facility.

3.3.4 Construction Services - Contractor shall perform construction services, subject to approval by Anaconda, as follows:

- . Prepare a construction plan, identifying which elements of Work will be self-performed and which will be performed by Subcontractors.
- . Prepare bidders lists.
- . Prepare, assemble and issue bid packages in accordance with Anaconda-approved documents, forms and procedures. All bid packages shall be approved by Anaconda prior to issuance.
- . Conduct and document bidders' briefings and site inspections.
- . Receive and evaluate bids, including performance of pre-award surveys and negotiations as required.
- . After approval of the award recommendation by Anaconda, prepare and execute subcontracts in accordance with Anaconda-approved documents, forms and procedures. All subcontracts shall be approved by Anaconda prior to execution by Contractor.
- . Coordinate engineering information, specifications and drawings directly with Subcontractors and furnish copies to Anaconda as required.
- . Provide on-site personnel to administer subcontracts, including interpretation of specifications and drawings, inspection of all Work and preparation of all administrative documentation in accordance with Anaconda-approved documents, forms and procedures.

- . Provide on-site personnel, construction equipment, temporary facilities, etc., to self-perform all construction tasks not performed by Subcontractors.
- . Maintain construction drawings and specifications. Provide final as-built drawings (four (4) mylar copies) and specifications (four (4) copies) to Anaconda within fifteen (15) days of completion of the Work. These as-built drawings are in addition to the field "red-lined" versions required by the clause of Exhibit A entitled "Specifications and Drawings".

3.3.5 Facility Checkout and Start-up Assistance -

Provide on-site personnel as required by Anaconda during the initial checkout and start-up of the facility. These personnel shall assist Anaconda and others in the analysis and correction of any operating problems and provide support in the overall facility operation.

3.4 Other Support Services - Contractor shall furnish sufficient office space for Anaconda's personnel. Anaconda shall have the right to place in Contractor's engineering office during the time Work under this Agreement is in progress, up to six (6) professional employees for the purpose of transmitting engineering information and data to Contractor and consulting and cooperating with Contractor to the end that completed Work shall conform to the requirements of this Agreement. Contractor shall provide office furniture, utilities and services for Anaconda's employees working in Contractor-provided facilities, including secretarial service, telephone service, office machinery and equipment, office supplies and reserved parking for Anaconda's resident personnel as required.

EXHIBIT C - COMPENSATION AND PAYMENT

1.0 Estimated Cost and Fixed Fee

Compensation for Work performed by Contractor shall be made by Anaconda on a cost reimbursable basis. Contractor shall be reimbursed for all reasonable costs incurred in the performance of the Work as set forth below. The Estimated Cost, as defined in paragraph 2.1 below is \$1,968,305.00. For performing the Work described in this Agreement, Contractor shall also be paid a Fixed Fee of \$100,000.00. The Fixed Fee shall be disbursed as discussed in paragraph 3.0 below.

2.0 Reimbursable Costs

The following costs shall be paid by Anaconda on a reimbursable basis as discussed in the clause of Exhibit A of this Agreement entitled "Payment". The categories as set forth in subparagraph 2.1 below comprise the Estimated Cost of the Work. The items as set forth in subparagraph 2.2 below are also reimbursable by Anaconda to the extent they are incurred by Contractor in the performance of the Work.

2.1 Estimated Cost

2.1.1 Actual bare wages and salaries on an hourly rate basis for such time as is devoted to the Work by Contractor's "Home Office" and "Field Construction Staff" employees. "Home Office" employees include Quality Assurance and rented technical personnel (i.e., model builders, designers and/or drafters). The use of all such Quality Assurance and rented technical personnel shall require the prior written approval of Anaconda. Such hourly rates and labor categories are defined in Attachment 1 to this Exhibit C entitled "Catalytic, Inc., Salary Grade Structure". These hourly rates

and labor categories shall not be changed without the prior written approval of Anaconda. Such approval shall not be unreasonably withheld, provided that wage and salary costs are maintained at levels comparable to those of major engineering and construction firms which compete with Contractor. Officers of Contractor (Salary Grade Nos. 26, 27 and 28) shall not be directly charged to the project without the prior written consent of Anaconda. All overtime worked, which is to be charged to the project, shall require the prior written approval of Anaconda. Reimbursement for overtime and holiday work shall be made in accordance with Attachment 2 to this Exhibit C entitled "Overtime and Holidays Payment Schedule". This schedule shall not be changed without the prior written approval of Anaconda. Such approval shall not be unreasonably withheld. The premium pay portion of all overtime worked on the project shall be reimbursed by Anaconda at cost with no markup.

2.1.2 Payroll burden of 33 percent (33%) applied to a base of straight time and the straight time portion of overtime of wages and salaries for Contractor's "Home Office" and "Field Construction Staff" employees as defined in paragraph 2.1.1 above. The payroll burden rate, which shall remain fixed for the duration of the Work, includes compensation for, but is not limited to, the following items of cost:

- . Worker's Compensation Insurance
- . Employer's Liability Insurance
- . Comprehensive General Liability Insurance
- . F.I.C.A.
- . State unemployment tax
- . Federal unemployment tax
- . Vacations

- . Sickness and other excused absences
- . Holidays
- . Pension and retirement expense

2.1.3 Labor overhead of 54 percent (54%) applied to a base of straight time and the straight time portion of overtime of wages and salaries, including payroll burden, for Contractor's "Home Office" employees as defined in paragraphs 2.1.1 and 2.1.2 above. The labor overhead rate, which shall remain fixed for the duration of the Work, includes, but is not limited to, compensation for the following items of cost which are normally incurred by Contractor to maintain an ongoing organization that is capable of conducting the business of Contractor and all other expenses incurred by Contractor that are not created by or properly chargeable to a specific project:

- . Termination and military service pay
- . General time (Standards, Reports, etc.)
- . Group Life, Accident and Medical Insurance
- . Local telephone service
- . Educational programs (tuition, wages and salaries, expenses)
- . Procurement of personnel
- . Public relations
- . Association dues and subscriptions
- . Depreciation on furniture, fixtures and office machines
- . Conventions (fees, wages and salaries, expenses)
- . Moving expense (office equipment)
- . Rent, heat and light

- . General stationery supplies
- . Cost of developing Contractor's standard purchasing, engineering and construction data
- . Computer services or computer operations when used for payroll department or other general accounting functions
- . Federal, state and local income taxes measured by Contractor's net income
- . Contractor's other departments and expense, including salary and wages and associated payroll burden, fringe benefits, etc., of the following:
 - Sales Department
 - General Department (Charlotte Department No. 03)
 - Accounting Department (including payroll)
 - Personnel Department
 - Insurance Department
 - Legal Department
 - Communications Department
 - Mail Department
 - Clerical and stenographic services for all of the above
 - State licensing fees

2.1.4 Labor overhead of 32 percent (32%) applied to a base of straight time and the straight time portion of overtime of wages and salaries, including payroll burden, for Contractor's "Field Construction Staff" employees as defined in paragraphs 2.1.1 and 2.1.2 above. The labor overhead rate, which shall remain fixed for

the duration of the Work, includes, but is not limited to, compensation for the following items of cost:

- . Termination and military service pay
- . General time (Standards, Reports, etc.)
- . Procurement of personnel
- . Association dues and subscriptions
- . Group Life, Accident and Medical Insurance
- . Public relations
- . Educational programs (tuition, wages and salaries, expenses)
- . Contractor's other departments and expense, including salary and wages and associated payroll burden, fringe benefits, etc., of the following:
 - Sales Department
 - General Department (Charlotte Department No. 03)
 - Accounting Department (including payroll)
 - Personnel Department
 - Insurance Department
 - Legal Department
 - Communications Department
 - Mail Department
 - Clerical and stenographic services for all of the above

2.1.5 Travel, living and relocation expenses in accordance with Attachment 3 to this Exhibit C entitled "Domestic Travel Policy" and Attachment 4 to this Exhibit C entitled "Local Area Travel Policy, Charlotte Office". These policies shall not be changed without the prior written approval

of Anaconda. Such approval shall not be unreasonably withheld.

2.1.6 Reproduction and printing expenses in accordance with Attachment 5 to this exhibit entitled "Reproduction Price List". This price list shall not be changed without the prior written approval of Anaconda. Such approval shall not be unreasonably withheld.

2.1.7 Computer operations expenses other than those required for the payroll department or other general accounting functions (which are included in the labor overhead rate), in accordance with Attachment 6 to this Exhibit C entitled "Computer Operations Price List". This price list shall not be changed without the prior written approval of Anaconda. Such approval shall not be unreasonably withheld.

2.1.8 Other necessary and reasonable direct costs for Contractor's "Home Office" services including the following:

- . Long distance telephone, teletype or telegraph, and postage at \$0.26 per directly-charged manhour for all "Home Office" employees. This rate shall remain fixed for the duration of the Work.
- . Express shipments, including United Parcel Service, on prints or other documents (domestic and international)
- . Special printed forms and special tracing cloth or paper purchased for the Work
- . Model making materials
- . Computerized drafting for drawings at a system rate of \$60.00 per hour with an additional 25% charge if overtime usage is required. The system rate, which shall not change without the prior written approval of Anaconda, includes costs for equipment, supplies, materials, operating personnel and supervision.

2.1.9 Other necessary and reasonable direct costs for Contractor's "Field Construction Staff" services, including the following:

- . The actual out-of-pocket cost to Contractor of establishing and maintaining construction facilities at the Site (except for those items furnished by Anaconda as set forth in Exhibit F to this Agreement), including:

- Temporary office, warehouse and shop buildings
- Temporary utilities and maintenance labor
- Temporary heat, including fuel, and maintenance labor
- Temporary roads, parking areas and fencing
- Field office supplies and equipment including, but not limited to, telephone, telegraph, postage and reproduction cost
- Temporary sanitary facilities
- Temporary signs
- All permits, inspection fees, bond premiums and licenses as they apply to the Work
- Monthly rental costs for either one (1) stationwagon or one (1) 1/2 or 3/4 ton pickup truck for Contractor's site manager at Contractor's standard published rental price list plus fuel, lubricants and other fluids as are necessary in the work-related operation of the vehicle.

2.1.10 Outside non-construction Subcontractors, including consultant, research and professional services, at actual net cost to Contractor.

2.2 Additional Reimbursable Costs -

2.2.1 Purchase order costs consisting of all amounts paid by Contractor for Vendors' direct charges for taxes, freight, material, Equipment, labor

and services used on or installed in the casting facility or required to construct the facility. These reimbursements will be at actual net cost to Contractor.

2.2.2 Construction subcontract costs consisting of all amounts paid by Contractor for Subcontractors' direct charge for taxes, freight, material, Equipment, construction equipment, labor and services used on or installed in the casting facility or required to construct the facility. These reimbursements will be at actual net cost to Contractor.

2.2.3 Construction expenses incurred for construction efforts done on a self-performed basis for minimal craft support (as required by field conditions) including taxes, freight, material, Equipment, construction equipment, labor services, payroll burden, overhead, consummable supplies, expendable supplies and small tools as follows:

- . The actual bare wages and salaries of all project craft labor and fringe benefits (to the extent required by union contracts)
- . Payroll burden of 18.75 percent (18.75%), which shall remain fixed for the duration of the Work, applied to a base of straight time and the straight time portion of overtime of actual bare wages and salaries of all project craft labor. The payroll burden rate includes compensation for all payroll insurance and taxes.
- . Premium pay for overtime at cost in accordance with the provisions of the union contract, if applicable.
- . Construction equipment at actual cost to Contractor of third party rental rates.
- . Small tools and consummable supplies at actual cost to Contractor. All such small tools and consummable supplies are the property of Anaconda.

- . Employees' safety equipment and foul weather clothing (with prior written approval by Anaconda)

2.3 Any items or expenditures that are of an unusual nature or are not clearly identifiable to one of the foregoing categories will be submitted to Anaconda for review and approval if Contractor expects direct reimbursement for the item or expenditure.

3.0 Fixed Fee

Contractor shall submit monthly, in accordance with the schedule set forth below, an invoice for the payment of the fee as set forth in paragraph 1.0 of this exhibit. Anaconda shall pay such fee, in accordance with the terms and conditions of this Agreement, within fifteen (15) days of receipt of invoice; however, one-half of the invoiced fee shall be withheld until completion and acceptance of all Work required under this Agreement. Such retained fee shall be paid to Contractor within fifteen (15) days thereof.

Fee Payment Schedule

January, 1982	\$ 2,000	January, 1983	\$ 6,000
February, 1982	4,000	February, 1983	5,000
March, 1982	4,000	March, 1983	4,000
April, 1982	3,000	April, 1983	4,000
May, 1982	4,000	May, 1983	3,000
June, 1982	5,000	June, 1983	3,000
July, 1982	7,000	July, 1983	3,000
August, 1982	7,000	August, 1983	2,000
September, 1982	8,000	September, 1983	2,000
October, 1982	7,000	October, 1983	2,000
November, 1982	7,000	November, 1983	2,000
December, 1982	<u>5,000</u>	December, 1983	<u>1,000</u>
1982 Total	\$63,000	1983 Total	\$37,000

Grand Total - \$100,000

**CATALYTIC, INC.
SALARY GRADE
STRUCTURE**

	Office	Technical	Field
Salary Grade No. 2	Min. \$304 - Max. \$452 (Bi-weekly) Hourly \$3.80 - \$5.65 All Positions Non-Exempt Clerk II	Engineering Assistant IV	Timekeeper
Salary Grade No. 3	Min. \$328 - Max. \$492 (Bi-weekly) Hourly \$4.10 - \$6.15 All Positions Non-Exempt Typist II	Laboratory Asst.	Field Clerk II Stenographer II
Salary Grade No. 4	Min. \$356 - Max. \$532 (Bi-weekly) Hourly \$4.45 - \$6.65 All Positions Non-Exempt Word Processor II Clerk I	Engineering Asst. III	Sr. Timekeeper
Salary Grade No. 5	Min. \$384 - Max. \$576 (Bi-weekly) Hourly \$4.80 - \$7.20 All Positions Non-Exempt Typist I	Drafter IV	Field Clerk I Stenographer I
Salary Grade No. 6	Min. \$416 - Max. \$624 (Bi-weekly) Hourly \$5.20 - \$7.80 All Positions Non-Exempt Word Processor I Secretary III Sr. Clerk Expediting Asst. Project Admin. Asst. III Admin. Planner Accounts Payable Acct. III Secretary - Charlotte		
Salary Grade No. 7	Min. \$448 - Max. \$672 (Bi-weekly) Hourly \$5.60 - \$8.40 All Positions Non-Exempt Secretary II Admin. Asst. II Sr. Secretary - Charlotte	Drafter III Engineering Asst. II Cost Assistant	Sr. Field Clerk Sr. Stenographer Tool Rm. Attendant II

Effective 25 July 1981

**CATALYTIC, INC.
SALARY GRADE
STRUCTURE**

Page 2 of 7

	Office	Technical	Field
Salary Grade No. 8	Min. \$484 - Max. \$724 (Bi-weekly) Hourly \$6.05 - \$9.05 All Positions Non-Exempt Billing Acct. II Project Admin. Asst. II Accounts Payable Acct. II Project Admin. II		Health Physics Monitor Field Service Acct. II
Salary Grade No. 9	Min. \$520 - Max. \$780 (Bi-weekly) Hourly \$6.50 - \$9.75 All Positions Non-Exempt Graphic Designer Secretary I Expediter II Asst. Buyer Admin. Asst. I	Drafter II Environ. Scientist IV Engineering Asst. I QA Admin. Asst. Assistant Planner Modelmaker II Material Controller III Engineering Aid	First Aid Repr. Tool Room Attendant I
Salary Grade No. 10	Min. \$564 - Max. \$844 (Bi-weekly) Hourly \$7.05 - \$10.55 All Positions Non-Exempt except as Noted by (EX) Project Admin. Asst. I Project Admin. I (EX) Billing Accountant I Contract Admin. II Supv. Purch. Svcs. (EX) Accounts Payable Acct. I Admin. Accountant I	Cost Analyst III Instrument Admin.	Field Instrument Asst. Heavy Equipment Asst. Field Accountant II Asst. Field Planner Paymaster
Salary Grade No. 11	Min. \$608 - Max. \$912 (Bi-weekly) Hourly \$7.60 - \$11.40 All Positions Non-Exempt except as Noted by (EX) Supv. Whse. & Shipping	Drafter I Test Apprentice	Field Expediter II Field Buyer II Tool & Equip. Supv. II
Salary Grade No. 12	Min. \$656 - Max. \$984 (Bi-weekly) Hourly \$8.20 - \$12.30 All Positions Exempt except as Noted by (N) Buyer II Expediter I Traffic Coordinator Sr. Project Admin. Accountant I Supv. Inventory Control (N)	Environmental Scientist III Production Supervisor (N) Home Office Planner III Cost Analyst II Est. Asst. Sr. Engineering Asst.	I. R. Repr. Warehouse Supv. II (N) Field Acct. I (N) Sr. Paymaster (N)

**CATALYTIC, INC.
SALARY GRADE
STRUCTURE**

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	Office	Technical	Field
Salary Grade No. 13			
	Min. \$712 - Max. \$1068 (Bi-weekly)		
	Hourly \$8.90 - \$13.35		
	All Positions Exempt except as Noted by (N)		
	Supv. Manpower Support	Engineer IV	Field Engineer II
	Supv. Tech. Assistants	Lab Admin.	Sr. Field Acct.
		Home Office Planner II	Field Buyer I
		Cost Analyst I	Field Planner III
		Designer III (N)	Field Designer II (N)
		Modelmaker I (N)	Work Sampling Engineer
		Material Controller II (N)	Field Inspector (N)
		Design Architect III (N)	Field Expediter I (N)
			Subcontract Admin.
			Engineering Tech. II
Salary Grade No. 14			
	Min. \$764 - Max. \$1148 (Bi-weekly)		
	Hourly \$9.55 - \$14.35		
	All Positions Exempt except as Noted by (N)		
	Supv. Project Admin.	Engineer III	Tool & Equip. Supv. I
	Sr. Expediter	Environment Scientist II	Field Safety Engr. II
	Buyer I	H.P. Technician	Field Engr. I
	Document Control Engr.	Maintenance Planner/	General Field Acct. II
	Art. Dept. Supv.	Scheduler III	Field Planner II
		Estimator II	Engineering Tech. I
		Design Architect II (N)	
		Spec. Writer II (N)	
Salary Grade No. 15			
	Min. \$828 - Max. \$1240 (Bi-weekly)		
	Hourly \$10.35 - \$15.50		
	All Positions Exempt except as Noted by (N)		
	Labor Relations Repr.	Designer II (N)	Field Material Expediter
	Contract Admin. I	Material Controller I (N)	Field Engr. Specialist II
	Office Manager		Material Manager II
	Supv. Repair and Insp.		Field Buyer Sr.
			Field Designer I (N)
			Work Sampling Supv.
			Sr. Field Inspector (N)
			Warehouse Supv. I
			Subcontract Admin. Sr.

**CATALYTIC, INC.
SALARY GRADE
STRUCTURE**

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Office	Technical	Field
Salary Grade No. 16		
Min. \$892 - Max. 1336 (Bi-weekly)		
Hourly \$11.15 - \$16.70		
All Positions Exempt except as Noted by (N)		
Asst. Mgr. Engr. Admin.	Project Engineer II	Shift Supv.
Supv. Exped.	Engineer II	Craft Supv. II
Corp. Coord. of Min.	Environmental Scientist I	Field Safety Engineer I
Purchasing	Technical Editor	Sr. Field Engineer
Sr. Buyer	Sr. H.P. Tech.	General Field Acct. I
Corp. Safety Engineer	Licensing/Nuclear	Material Mgr. I
Acctg. Supv. I	Analysis Engineer	Sr. Engineering Tech.
	QA Engineer	
	Admin. Sys. Engineer	
	Maint. Planner/Scheduler II	
	Sr. Cost Analyst	
	Home Office Planner I	
	Project Lead Modelmaker(N)	
	Design Architect I (N)	
	Spec. Writer I (N)	
Salary Grade No. 17		
Min. \$964 - Max. \$1448 (Bi-weekly)		
Hourly \$12.05 - \$18.10		
All Positions Exempt except as Noted by (N)		
Supv. Buyer	Asst. Production Supv.	Craft Supv. I
Asst. Chief Expediter	Supv. Cost Analysis II	Field Engineer Specialist I
Supt. Regional Tool Rm.	Estimator I	Field Admin. Manager II
Est. Supt.	Field Group Leader	Field Purchasing Manager
Mgr. of Engineering	Designer I (N)	Warehouse Supv. Sr.
Admin. II	Asst. Group Leader (N)	Field Planner I
	Group Leader II	Specialty Supervisor III (N)
	Design Engineer	
Salary Grade No. 18		
Min. \$1036 - Max. \$1552 (Bi-weekly)		
Hourly \$12.95 - \$19.40		
All Positions Exempt		
Chief Buyer II	Project Engineer I	Material Mgr. Sr.
Chf. Subcontract Buyer II	H.P. Coordinator	Specialty Supervisor II (N)
Asst. Safety Director	Engineer I	
Sr. Labor Relations Repr.	Chief Planner I	
	Sr. Q.A. Engineer	
	Maint. Planner/Scheduler I	
	Chief Field Engineer	
	Group Leader I	
	Supv. Modelmaker	
	Supv. Material Controller	
	Sr. Home Office Planner	
	Supv. Cost Analysis I	
	Chief Engineering	
	Technician	
	Project Design Coord.	
	Sr. Architect	
	Sr. Spec. Writer	
	Design Supervisor	

**CATALYTIC, INC.
SALARY GRADE
STRUCTURE**

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Office	Technical	Field
Salary Grade No. 19		
Min. \$1124 - Max. \$1688 (Bi-weekly)		
Hourly \$14.05 - \$21.10		
All Positions Exempt		
Mgr. Engineer Admin. I	Chief Analytical Chemist	Site Q.A. Supv.
Purchasing Mgr. III	Chief Chemist	Field Supv. II
Chief Expediter	Mgr. Insp. Services &	Sr. Craft Supv.
Sr. Contract Administrator	Manpower Coordinator	Site I.R. Manager
	Q.A. Coord. Engineer	Field Admin. Mgr. I
	Sr. Estimator	Sr. Field Planner
	Supv. Group Leader	Specialty Supervisor I (N)
Salary Grade No. 20		
Min. \$1212 - Max. \$1820 (Bi-weekly)		
Hourly \$15.15 - \$22.75		
All Positions Exempt		
Purchasing Mgr. II	Sr. Project Engineer	Oper. Supt.
Asst. Mgr. of Labor	Supv. Engineer II	Maint. Supt.
Relations	Engineering Specialist	Safety Dir. & Plt. Security
Mgr. of Admin. Services	Tech. Services Coordinator	Site Q.A. Mgr.
	Supv. Nuclear Lic/ Analysis	Field Supt. I
	Supv. Health Physics	
	Mgr., Plan/Sched. II	
	Mgr., Cost Analysis II	
	Mgr., Estimating III	
	Mgr., Q.A. Admin.	
	Resident Engineer	
	Supv. Planning Engineer	
	Mgr. Technical Support	
	Mgr. Project Systems	
	Chief Designer	
	Project Architect	
Salary Grade No. 21		
Min. \$1308 - Max. \$1964 (Bi-weekly)		
Hourly \$16.35 - \$24.55		
All Positions Exempt		
Chief Buyer	Mgr., Estimating II	Asst. Plant Manager
Chief Subcontract Buyer I	Supv. Q.A. Audit	Site Manager II
Admin. Mgr. of Projects	Asst. Mgr. - Planning/ Scheduling	Sr. Field Admin. Mgr.
	Asst. Mgr. - Estimating	
	Asst. Mgr. - Cost Analysis	

**CATALYTIC, INC.
SALARY GRADE
STRUCTURE**

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Office	Technical	Field
Salary Grade No. 22		
Min. \$1416 - Max. \$2124 (Bi-weekly)		
Hourly \$17.70 - \$26.55		
All Positions Exempt		
Process Computer Sys. Mgr.	Project Manager	Mgr. Field Q.A.
Mgr. of Labor Relations	Chief Architect	Site Manager I
Safety Director	Mgr. Q.A. Engineer	Sr. Field Supt.
Mgr. of Construction	Chief Civil Engineer	
Engineering	Supervisory Engineer I	
Mgr. Contract Admin.	Mgr. of Fossil Power Engineer	
	Mgr. of Decommissioning	
	Mgr. of Health Physics	
	Chief Engineer IV	
	Asst. Mgr. Construction/	
	Maintenance (Power)	
	Mgr. Technical Services	
	Manager, Estimating I	
	Manager, Planning/	
	Scheduling I	
	Manager, Cost Analysis I	
	Asst. Chief Instrument	
	Engineer	
	Sr. Engineer Specialist	

Salary Grade No. 23	
Min. \$1556 - Max. \$2336 (Bi-weekly)	
Hourly \$19.45 - \$29.20	
All Positions Exempt	
Mgr. of Power Applications	Tech. Dir. of Pharm. Projects
Manager of Field Admin.	Chief Engineer III
	Asst. Chief Process Engineer
	Chief Structural Engineer
	Mgr. Nuclear Power Engr.
	Manager Radwaste Services

Salary Grade No. 24		
Min. \$1712 - Max. \$2568 (Bi-weekly)		
Hourly \$21.40 - \$32.10		
All Positions Exempt		
Purchasing Mgr. I	Mgr. of Projects II	Plant Manager
Manager, Project Controls	Sr. Project Manager	Sr. Site Manager
	Chief Engineer II	
	Mgr. of Engineering	
	Director Quality Assurance	
	Manager, Foreign	
	Construction/Maintenance	
	Construction/Maintenance	
	Manager	
	Mgr. of Operations II	
	Mgr. Petroleum &	
	Petrochem. Tech.	

**CATALYTIC, INC.
SALARY GRADE
STRUCTURE**

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	Office	Technical	Field
Salary Grade No. 25	Min. \$1884 - Max. \$2828 (Bi-weekly) Hourly \$23.55 - \$35.35 All Positions Exempt	Mgr. of Projects I Mgr. SRC Design & Development Mgr. Technology Development Asst. Chief Engineer Chief Engineer I Mgr. of Operations I Sr. Construction/Maintenance Manager General Mgr. Process Maintenance General Mgr. Chicago Office	
Salary Grade No. 26, 27 & 28	Random Rated All Positions Exempt	Vice President General Mgr. Electro-Chemicals General Mgr. Power Projects Mgr. Metals Division Mgr. West Coast Operations Mgr. Staff Services	

**OVERTIME AND
HOLIDAYS
PAYMENT SCHEDULE**

Reimbursement for overtime and holiday work will be made in accordance with the following:

BASIC WORK WEEK, AUTHORIZED HOURS OF WORK

The basic work week is forty (40) hours, consisting of nine (9) hours, Monday through Thursday and four (4) hours on Friday.

OVERTIME AND HOLIDAY WORK AND RATES

1. Overtime Payment

"Non-Exempt" Employees - Employees classified as "Non-Exempt" are paid time and one-half for all hours worked in excess of forty hours per week.

Overtime pay for "Non-Exempt" employees is determined by dividing the biweekly salary by 80 hours. This is the straight time hourly rate. The overtime rate is one and one-half times this rate.

When "Exempt" employees on the staff payroll work a regularly scheduled extended work week, they will be reimbursed in addition to their basic salary for overtime hours on a straight time basis. Reimbursement will be made for such overtime on an hourly basis for the number of hours worked; however, in no case will an exempt employee receive overtime pay for a greater number of hours than called for in the approved, scheduled extended work week authorization.

A scheduled extended work week must be approved in advance by the President or a Vice President and should not be less than three weeks duration.

2. Premium Pay for Holidays Worked

- A. Catalytic, Inc. grants ten holidays per year to all permanent employees. These ten holidays are divided into Premium Holidays and Additional Holidays.

Premium Holidays are: New Year's Day Independence Day
Thanksgiving Day Memorial Day Labor Day Christmas Day

Additional Holidays are: Personal Holiday Friday after
Thanksgiving Washington's Birthday
Company Selected Holiday

1 October 1980

**OVERTIME AND
HOLIDAYS
PAYMENT SCHEDULE**

Page 2 of 3

- B. In any work week in which one of the six Premium Holidays occurs, the normal work week will be considered 31 hours if the holiday falls on Monday through Thursday or 36 hours if the holiday falls on Friday. Non-Exempt employees will be paid time and one-half for all hours worked on the holiday and, in addition, should the total hours worked by such employees during the week, exclusive of such holidays, exceed 31 hours or 36 hours, whichever the case may be, they will be paid time and one-half for all time worked in excess of 31 hours or 36 hours.
- C. In any work week in which one of the additional holidays falls, the normal work week will be considered 31 hours if the holiday falls on Monday through Thursday or 36 hours if the holiday falls on Friday. However, non-exempt employees will be paid only straight time for hours worked on the holiday up to 9 hours on Monday through Thursday or 4 hours on Friday and, in addition, should the total hours worked during the week by such employees, exclusive of such holiday, exceed 31 hours or 36 hours, whichever the case may be, they will be paid time and one-half for all time worked in excess of 31 hours or 36 hours.
- D. Employees classified as "Exempt" will not be paid for working on holidays except during such period as an extended work week for "Exempt" employees is in effect.

3. Effect of Absence on Overtime Payment

- A. Authorized hours of paid absence will not count toward the forty hours per week used when applying the time and one-half overtime rate for non-exempt employees.
- B. In the event an exempt employee is absent on a day when overtime is scheduled, overtime will not be paid unless the employee makes up the time during the week in which the overtime is scheduled.

4. Christmas

In addition to the above-mentioned holidays, employees will be allowed one-half day on the work day preceding the day which is celebrated by the Company as the Christmas holiday. Such half day will not exceed four and one-half hours and will be allowed only on a normally scheduled work day. The four and one-half hours not worked shall count toward forty hours when computing overtime; however, should employees be requested to work the four and one-half hours, such hours shall be paid for at the straight time rates only.

**OVERTIME AND
HOLIDAYS
PAYMENT SCHEDULE**

Page 3 of 3

In the event the work day preceding the day which is celebrated by the Company as the Christmas holiday is a Friday, employees will not be allowed one-half day holiday.

Note: Salaried employees while located in the field or Owner's Office will observe only those holidays applicable to the job location.

5. Allocation of Overtime Costs

For purposes of allocation of overtime, all hours worked or counted as worked for overtime purposes, shall be charged to the particular contract under which the hours were worked or counted at whatever rate is applicable during those hours. For example, if an individual worked two nine-hour days on one contract and two ten-hour and one four-hour day on another contract, the later contract would incur the two overtime hours.

**DOMESTIC TRAVEL
POLICY****PURPOSE**

This policy establishes the guidelines to be observed by Home Office and Field Staff employees when traveling on Catalytic business or when reassigned on a non-permanent basis within the Continental United States. This policy also defines the various types of domestic non-permanent assignments and establishes associated per diem allowances.

The provisions of this document are to be followed on all non-permanent assignments without regard to any contractual relocation conditions which may differ from the conditions stated in this policy and are not applicable to business trips to locations which the employee can reasonably travel to on a day-to-day basis. Day-to-day travel is addressed in associated local travel policies. Any deviation from this practice requires the approval of the Senior Vice President and General Manager - Administration Division.

This policy does not apply to permanent assignments to office locations.

DEFINITION

For purposes of this policy, the following definitions shall apply:

- A. **A Temporary Assignment** is a trip or an assignment by which any Home Office or Field Staff employee is directed to work at another location for a period of time anticipated to be nine (9) months or less.
- B. **A Long-Term Assignment** is an assignment by which any Home Office or Field Staff employee is directed to work at another location for a period of time anticipated to be in excess of nine (9) months.
- C. **A Dependent** is defined as anyone closely related to the employee who normally requires residence with him.

POLICY**1. Travel Accident Insurance**

Catalytic provides Travel Accident Insurance to cover employees while traveling on Catalytic business. A standard \$2. charge is made for each round-trip airplane flight. This entry is considered a normal travel expense.

2. Commercial Air Travel

Catalytic will pay for the actual cost of economy class accommodations incurred by employees while traveling on business. Other air accommodations may be used when economy class is not available. Reasonable baggage charges are also allowable.

Occasionally, when an employee combines a personal vacation with a bona fide business trip or is accompanied by his spouse or other family members, the individual's air fare may be reduced as a result of special excursion or group rates. It is Catalytic's practice in these instances to reimburse the employee only for his own fare at the reduced rate.

1 April 1981

3. Local Transportation

The cost of trains, buses, taxicabs, limousines, or other modes of local transportation are reimbursable. Taxicabs are to be used only in the event that other less expensive means are unavailable or when time does not permit the use of such other means.

4. Rental Vehicles

Catalytic will pay for the cost of rented automobiles only if the nature of the trip or the location of the places of business to be visited is such that other means of transportation are not available or practical (i.e., when time is of prime importance and the use of public transportation would not permit meeting a required schedule or when an overall financial savings results from reduced per diem, cost of hotel/motel accommodations, employee's travel time, etc.).

In this regard, the employee must obtain the *prior approval* of the Project Manager or Field Superintendent.

5. Personal Vehicles

Personal vehicles may be used for Catalytic business when the cost is not excessive in relation to other types of purchased transportation comparably convenient and the time spent in driving is not excessive in relation to the employee's work schedule.

The mileage reimbursement made to employees for use of their personal vehicle on Catalytic business will be at the rate of twenty (20) cents per mile by odometer reading. Such mileage is not to exceed by more than ten percent (10%) the distance between the authorized points of travel as indicated in Rand McNally's Standard Highway Distance Guide.

Employees must have a valid driver's license and are required to have automobile liability insurance consistent with their state's laws. In the event of an accident involving a personal vehicle, damages, not to exceed \$250, will be reimbursed by Catalytic for the deductible amount paid. The employee must furnish proof that the damage occurred on Catalytic business and that the employee carried collision insurance.

When an employee is placed on a field assignment, it may be more practical for him to drive his own car to the field site regardless of distance, when consideration is given to the availability of a shared rental car versus the convenience of the employee having his own vehicle at the job location. In these instances, *with the Project Manager's or Field Superintendent's Approval*, the employee will be reimbursed at the personal vehicle reimbursement rate for his initial trip to the job site and for his final trip home. In this regard, the employee will be reimbursed for per diem and lodging for the duration of the trip. However, the employee must travel an average of 300 miles per day.

6. Tolls and Parking Expenses

Employees will be reimbursed for all tolls and parking expenses incurred while on Catalytic business.

7. Vehicle Operation - Routine

Employees operating Catalytic owned, leased, or rented vehicles, or their personal automobile on Catalytic business, are expected to observe posted speed limits, maintain tires at the pressure recommended by the tire manufacturer as noted on the tire, and wear seat belts/shoulder harnesses and encourage passengers to do so as well.

Employees are not to drive on Catalytic business:

- a. In excess of 500 miles in a twenty-four (24) hour period.
- b. In excess of ten (10) hours within a twenty-four (24) hour period unless a minimum of eight (8) hours rest has been attained away from the job.

8. Traffic Violations

Fines for traffic violations, whether moving or parking, are not reimbursable.

9. Lodging

The cost of moderate accommodations in a first-class hotel or motel incurred on Catalytic business trips is reimbursable. Weekly or monthly rates are to be obtained if possible and when appropriate.

10. Meals and Incidental Expenses

A per diem allowance to cover the cost of meals, tips, laundry and valet services, and other incidental expenses will be paid the employee in accordance with the specific type of assignment as indicated herein.

11. Telephone and Telegraph Charges

Employees will be reimbursed for the cost of telephone and telegraph service utilized for Catalytic business. Additionally, employees will be reimbursed for a personal telephone call on arrival and once each week while on per diem, not to exceed ten (10) minutes duration each time.

12. Spouse/Family Expenses

Expenses incurred by the employee's spouse, or other family members who accompany employees on Catalytic business, will be reimbursed only if there is an explicit, bona fide necessity for their presence, and the authorization of the appropriate Catalytic officer has been obtained in advance.

13. Emergency Trips Home

In the event of a death of a member of the employee's immediate family, (or if the employee's family has relocated with him/her, the death of a member of the employee's spouse's immediate family), the one to whom the deceased was most directly related will be furnished the reasonable cost of round trip transportation to his or her initial point of origin.

Trips home for other types of emergencies may also be allowed with the approval of the Project Manager or Field Superintendent.

**TEMPORARY
ASSIGNMENTS**

1. Per Diem Allowance

Employees will be paid a per diem allowance, to cover the cost of meals, tips, laundry and valet services, and other incidental expenses, in the amount of \$24.00 per day based upon fractions of a day as follows:

Midnight	to	8:00 a.m.	\$8.00
8:00 a.m.	to	4:00 p.m.	\$8.00
4:00 p.m.	to	Midnight	\$8.00

In order to effect this provision, departure and return times must be noted on the employee's expense report.

2. Use of Personal Vehicle at Job Site

When the employee has been authorized to use his/her personal vehicle at the job site, the employee will be reimbursed at Catalytic's established personal vehicle rate for the mileage driven between the job site and the hotel/motel in accordance with this policy. Tolls are also included.

3. Temporary Assignments of Four (4) Weeks or More

Personnel away from their family on a temporary assignment of four (4) weeks or more will be permitted a trip home, via reasonable transportation, every other weekend. A personal telephone call, not to exceed ten (10) minutes duration, will be allowed upon return to the site. Should the distance or other considerations make these trips impractical, other arrangements can be made through the appropriate Catalytic senior division vice president.

When the employee has been authorized to use his/her personal vehicle at the job site and the vehicle is not used for the biweekly trip home, the employee will be allowed the reasonable cost of a rental car while at home.

In lieu of the employee making a biweekly trip home, the employee's spouse is permitted to make a biweekly trip to the location during the assignment. The cost of round trip transportation indicated previously is reimbursable. A personal telephone call, upon arrival at the site and upon arrival home, not to exceed ten (10) minutes duration in each case, will be allowed. No allowances for lodging and per diem will accrue to the spouse of an employee in this instance.

**LONG-TERM
ASSIGNMENTS**

1. Househunting Expenses

a. General

The cost of lodging and the per diem allowances indicated herein are intended to cover the costs of securing housing accommodations and are to be terminated when such accommodations become available for occupancy.

The coverage period for both lodging and per diem is limited to fifteen (15) days for employees *without* dependents and thirty (30) days for employees *with* dependents after arrival at the reassigned location. *Any time extensions* beyond these periods must be requested and authorized as indicated in subsection f. of this section.

b. Transportation and Lodging

Catalytic will reimburse the employee for the cost of economy class air accommodations or other reasonable means of transportation and lodging incurred by the employee and his dependents to the location of assignment.

The cost of moderate lodging accommodations to secure housing facilities at the reassigned location for the employee and his dependents is reimbursable during the per diem period. Use of the employee's personal automobile, at the existing personal auto reimbursement rate, at the reassigned location, is also included during this period.

c. Househunting Trip

When the reassigned employee is required to report for work at the new location prior to his/her family, the cost of round-trip economy class accommodations or other reasonable means of transportation, for the employee's spouse only, will be allowed. Lodging and per diem is not allowable in this instance

d. Per Diem Allowances - Employees Without Dependents

Employees will be paid a per diem allowance, to cover the cost of meals, tips, laundry and valet services, and other incidental expenses in the amount of \$24. per day, based upon fractions of a day as follows:

**DOMESTIC TRAVEL
POLICY**

Midnight	to	8:00 a.m.	\$8.00
8:00 a.m.	to	4:00 p.m.	\$8.00
4:00 p.m.	to	Midnight	\$8.00

In order to effect this provision, departure and return times must be noted on the employee's expense report.

e. *Per Diem Allowances - Employees with Dependents*

Employees will be allowed \$24. per day for themselves and each dependent twelve (12) years of age or older and \$12. per day for each dependent under twelve (12) years of age. The maximum per diem allowance is \$72. per day. The total allowance is payable based upon fractions of a day as previously indicated.

f. *Requests for Extension of Relocation Allowances*

When a reassigned employee encounters difficulty in securing adequate housing accommodations, extension of lodging and per diem allowances may be granted by initiating and completing Form 19028, "Request for Extension of Relocation Allowances".

All extension requests are to be approved by the appropriate project manager or his designee and the client's representative which approval is to be obtained by the Project Manager. Approved requests are to be forwarded to the appropriate personnel department for final approval.

2. *Moving Arrangements*

Moving arrangements, including the actual shipment of personal automobiles *or of a house trailer in which the employee resides*, are to be made through the appropriate Home Office personnel department, with the assistance of administrative purchasing or other locally designated functions. *If antiques are to be included*, the employee may be required to obtain additional insurance coverage, at his expense, in this regard.

3. *Return to Point of Origin for Completion of Moving Arrangements*

Employees who are requested to report for work before moving arrangements can be completed will be allowed transportation, lodging and per diem as indicated herein for one (1) round-trip to the point of origin to complete such arrangements as follows:

- a. Time spent traveling plus two (2) days, exclusive of Saturday, Sunday and legal holidays at the point of origin, will be considered as time worked relative to the payment of salary.
- b. Salary will not be paid for excess time unless charged to vacation.
- c. Lodging and per diem allowances for travel time plus two (2) days will be allowed.

4. Shipment of Household Goods and Personal Property

Actual cost of moving household goods and personal property, is reimbursable up to a maximum weight limitation of 15,000 pounds. The distance moved is not to exceed the distance between the employee's point of departure and the jobsite area. The cost includes actual reasonable transportation, insurance, packing and storage charges associated with the move of such property. Insurance coverage is limited to \$2.50 per pound. Additional coverage may be obtained at the employee's expense.

Household goods to be moved at Catalytic's expense include all reasonable items of furniture, furnishing, appliances, clothing, and equipment. However, such items as sand, bricks, lumber, firewood, top soil, shrubbery, perishable plants, frozen foods, and other items of similar nature are not included. Also not included are household pets and other animals, boats over fourteen (14) feet in length, and heavy machines and tools, other than hand tools, which require special handling.

In order for the carrier to conform to Interstate Commerce Commission rules and regulations, matches, aerosol cans, paint thinner, gasoline, and similar flammable liquids are not to be packed and are to be disposed of prior to moving.

Valuable personal articles such as personal papers, deeds, insurance policies, passports, jewelry, securities, evidence of debts, birth certificates, treasured family photographs, cash and documents pertaining to the move, ought not to be handled by the carrier; transportation of such items should be handled by the employee.

In lieu of moving his/her household goods, the employee will be allowed the reasonable cost of storage during the period of assignment.

5. Shipment of Personal Vehicles

Catalytic will pay the shipping costs for transporting two (2) personal automobiles to the new location or the employee or a family member may drive one (1) or both of the vehicles to the new location. If the latter is the case, the employee will be reimbursed at the existing personal mileage reimbursement rate, as indicated herein, for each car (to a maximum of two) driven to the new location. Highway, bridge and ferry tolls are also reimbursable. If a house trailer is to be driven to the new location utilizing one (1) of the personal vehicles, the expenses of only one (1) other personal vehicle will be allowed.

6. Shipment of House Trailers

Catalytic will pay the shipping costs to transport a house trailer in which the employee resides. Allowable costs include necessary unblocking and blocking, disconnecting and reconnecting of utilities, permits, toll charges and flagging if required by tariff. Expenses incurred in building a foundation, license plate fees, and any other expenses not listed herein are not included.

7. Return Expenses at Assignment Completion

When the assignment has reached satisfactory completion, or if the employee is dismissed by Catalytic through no fault of his own, the return expenses of the employee and his dependents will be allowed. Expenses for up to seven (7) days after arrival will also be allowed, to the extent that the incoming transportation and/or relocation expenses of the employee and dependents were allowed, and provided that the return expenses are incurred within the thirty (30) day period following completion of the assignment. Any exceptions must be approved by the Director of Personnel - Catalytic or the individual charged with personnel responsibility at other office locations.

If the return point is a greater distance than the point of origin, as established by the employee's personnel records, the expense of returning the employee and his family to a point of equal distance to that point of origin will be allowed.

8. Lump-Sum Relocation Allowance

Employees who elect not to move or store their household goods will receive a lump-sum relocation allowance on the following basis:

Employee with dependents	\$600. each assignment
Employee without dependents	\$300. each assignment

The employee's manager must provide written notification to the Director of Personnel - Catalytic when the employee chooses to exercise this option.

**LOCAL AREA
TRAVEL POLICY
CHARLOTTE OFFICE**

PURPOSE

This policy establishes the guidelines for day-to day travel away from the employee's office of normal assignment. This practice does not apply to term assignments to job locations (i.e., temporary, or long-term).

POLICY

A. General

Personnel who are required to travel from their home or office to various job locations on a day-to-day basis within daily driving distance from Catalytic or from the employee's home will be reimbursed for travel expenses and will receive the appropriate per diem allowance when meeting the requirements outlined herein. Receipts are required for travel expenses whenever obtainable.

B. Transportation

The actual cost of trains, buses, cabs, or other means of public transportation or mileage for the employee's personal car is reimbursable. Mileage will be paid at the current established Catalytic rate for the number of miles actually traveled. In addition, reimbursement will be made for all highway, bridge and ferry tolls, and parking costs. Employees are required to have a valid driver's license as well as automobile liability insurance consistent with their state's law on their personal automobiles. In the event of an accident involving a personal vehicle, damages, not to exceed \$250 will be reimbursed by Catalytic for the deductible amount paid. The employee must furnish proof that the damage occurred on Catalytic business and that the employee carried collision insurance.

It is expected that taxis will be employed only when less expensive means of transportation are unavailable or when time does not permit the use of other means of transportation. Rental cars may be hired only with special permission of the appropriate department manager. If a rental car is required for a period in excess of one (1) month, such rental must be cleared with the Manager of Administrative Services -Catalytic Charlotte to determine whether Catalytic cars are available or to secure the most economical long-term rental rate.

1 April 1981

**LOCAL AREA
TRAVEL POLICY
CHARLOTTE OFFICE**

Page 2 of 2

POLICY

C. Per Diem Allowance

Employees traveling on a day-to-day basis as outlined herein will be entitled to cover the cost of meals, tips and other incidental expenses provided the total hours away from their home or office exceed ten (10) *and* the distance traveled is greater than a 120 mile radius from the Charlotte Office. Allowances will be paid based on fractions of a day as follows:

Midnight to 8:00 a.m. - 1/3

8:00 a.m. to 4:00 p.m. - 1/3

4:00 p.m. to Midnight - 1/3

In order to determine these allowances, all times of departure and return must be indicated on expense reports.

REPRODUCTION PRICE LIST

REPRODUCTIONS

Rates

Standard Sizes

Black & White - Convenience Machine	\$.13 sq ft	8½ x 11" = 1.0 sq ft
Black & White - Reproduction Center	\$.09 sq ft	8½ x 14" = 1.0 sq ft
Transparency	\$.50 sq ft	11" x 17" = 1.5 sq ft
Photocopy - Convenience Machines	\$.10 sq ft	15" x 20" = 2.0 sq ft
- Reproduction Center	\$.06 sq ft	18" x 24" = 3.0 sq ft
Direct Diazo Mylar	\$1.20 sq ft	20" x 30" = 4.5 sq ft
		22" x 34" = 5.5 sq ft
		24" x 36" = 6.0 sq ft
		30" x 42" = 8.75 sq ft
		18" x 24" = 2.0 lin ft

Offset

8½" x 11" & 8½" x 14"

	B&W	Color	Each Add'l Color
First 100 copies	\$2.00	\$10.60	\$9.80
Over 100 copies	\$1.00/100	\$ 1.50/100	\$.30/100
<i>Back-Side Printing</i>			
First 100 copies	\$1.00	\$ 1.25	\$1.25
Over 100 copies	\$.25/100	\$.30/100	\$.30/100

11" x 17"

	B&W	Color	Each Add'l Color
First 100 copies	\$3.00	\$11.20	\$9.80
Over 100 copies	\$2.00/100	\$ 2.50/100	\$.30/100
<i>Back Side Printing</i>			
First 100 copies	\$1.00	\$ 1.25	\$ 1.25
Over 100 copies	\$.25/100	\$.30/100	\$.30/100

Xerox 1860 System

Bond - Single Prints	\$.60 lin ft
First 10	\$6.25 (18" x 24" max)
Over 10	\$.10 sq ft
(run on offset)	
Transparency	\$.90 lin ft

Metal Plate	\$10.00 ea.
Polyester Plate	\$6.25 ea.

Negative Film (B&W)	\$4.68 ea.
Positive Film (B&W)	\$4.72 ea.

Sorting	\$.006/Copy (min. charge \$1.25)
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Folding Drawings	\$.05 sq ft
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1 October 1980

**REPRODUCTION
PRICE LIST**

Page 2 of 2

Definitions

- Black & White -** Paper copy of the original drawing. White background with either blue or black details depending on developing medium.
- Transparency -** Sepia line - Paper Translucent with brown line. Original must be transparent. Eradication by special sepia eradicator.
- Photocopy -** Same size reproduction of original.
- Direct Diazo Mylar -** Second Original. No negative required. Changes readily made with moist eraser.
- Offset -** Reproduced copies from an Offset Printer usually on bond paper.
- 1860 Xerox System -** Exact or reduced prints (18" x 24" max) of any type original using the Xerox 1860 machine.
- Platemaker -** Image enlarged or reduced on polyester or metal offset master for multiple copies.
- Sorting -** Collating of multiple page orders run on photocopy machine.

**COMPUTER
OPERATIONS
PRICE LIST**

Type of Work	Rates
Computer Drafting System... Includes processor, graphics station, plotter and operator.	\$60.00 per hour
Word Processing System... Includes processor terminal, printer and operator	\$30.00 per hour
Software Development System... DEC PDP 1134/PDP 1103	\$30.00 per hour
IBM 370 Computer Services...	
Processor Charges —	
Engineering Design & Analysis	\$ 3.75 per CRU
All Other	\$ 2.50 per CRU
* (CRU = Catalytic Resource Unit)	
Processor Support Charges —	
Card Reading (at C.INC. Central Computer)	\$ 1.00 per 1000 cards
Line Printing (at C.INC. Central Computer)	\$ 2.50 per 1000 lines
Remote Terminal Service —	
Card Reading	\$ 2.35 per 1000 cards
Line Printing	\$ 6.20 per 1000 lines
Time Sharing Charges —	
Terminal Connect Time	\$32.00 per hour
Central Processor Usage	\$13.50 per minute
Outside Computer Facilities...	
Time Sharing Charges	Cost plus 15 percent
Batchwork Charges	At Cost
Other	At Cost
All Other Outside Services	At Cost
HP3000 Computer Services...	
Processor Charges —	
CPU time	\$ 0.20/second
Elapsed time (job or session)	\$ 0.30/minute
Process initiation	\$ 0.05/process
Code segments loaded	\$ 0.01/segment
Virtual storage requested	\$ 0.25/1000 sectors

1 September 1981

**COMPUTER
OPERATIONS
PRICE LIST**

Type of Work	Rates
HP3000 Computer Services...	
Processor Charges (Continued)	
Disc i/o	\$ 1.00/1000 blocks
Lines printed	\$ 2.50/1000 lines
Tape mounts	\$ 1.00/tape mount
Tape i/o	\$ 0.20/1000 blocks
Terminal i/o	\$ 0.10/1000 records
Synchronous line (communications)	\$ 0.25/call
Synchronous line i/o	\$ 0.01/data transfer
Synchronous connect time	\$ 2.00/1000 seconds
Key Punching	\$ 9.75 per hour
Collating, Interpreting, Control	\$ 9.75 per hour
WANG 700 Desk Computer	\$15.00 per hour
CALCOMP Plotter	\$20.00 per hour

*Since time in the sense of elapsed clock time is relatively meaningless in a multiprogramming environment, processor utilization is measured by means of the "Catalytic Resource Unit," or CRU. The basis of the CRU is an algorithm composed of Central Processor Unit time plus magnetic tape and disk storage channel time.

EXHIBIT D - INSURANCE

- A. Workers' Compensation Insurance - Including Occupational Disease in accordance with the laws of the States where the Work is to be performed and Employers' Liability Insurance in the amount of \$5,000,000.00 per person and \$5,000,000.00 per accident.
- B. Comprehensive General Liability Insurance - Including contractual liability, insuring the indemnity agreement set forth in this Agreement and products-completed operations coverage in the amounts of \$5,000,000.00 applicable to bodily injury, sickness or death in any one occurrence; and \$5,000,000.00 for loss of or damage to property in any one occurrence.
- C. Automobile Liability Insurance - Covering owned, nonowned and hired vehicles used by Contractor in the amounts of \$5,000,000.00 applicable to bodily injury, sickness or death of any one person and \$5,000,000.00 for more than one person in any one occurrence; and \$5,000,000.00 for loss of or damage to property in any one occurrence.
- D. Aircraft Insurance - If the performance of this Agreement requires the use of aircraft, Contractor shall carry, or require the owners of such aircraft to carry: (1) All Risks Hull Insurance in an amount equal to the replacement value of the aircraft (naming Anaconda as an insured); and (2) Bodily Injury Liability, including Passenger Liability of not less than \$1,000,000 for more than one person in any one occurrence and \$1,000,000 for loss of or damage to property in any one occurrence.

EXHIBIT E - PROJECT CONTROL REQUIREMENTS

1.0 Major Project Milestones

Contractor shall furnish all resources necessary and use its best efforts to meet the dates listed below:

- (a) The Work shall begin no later than January 4, 1982.
- (b) Definition Phase shall be completed no later than May 3, 1982.
- (c) The date of Mechanical Completion shall be no later than November 15, 1983.
- (d) The date of Commercial Operation shall be no later than March 15, 1984.

2.0 Scheduling Requirements (Definition Phase)

Contractor shall prepare a Network Milestone Schedule to monitor the Definition Phase of the project. The schedule shall be submitted to Anaconda for approval within fifteen (15) days of the effective date of this Agreement. The milestone schedule shall include, but not be limited to, the following:

- (a) Start date
- (b) Technology evaluation
- (c) Equipment evaluation
- (d) Site evaluation
- (e) Flow diagram
- (f) Equipment arrangement drawings
- (g) Building drawings
- (h) Evaluation of existing utilities at the Site
- (i) Automation systems
- (j) Plot plans
- (k) AFE control estimate
- (l) Master project schedule
- (m) End date

3.0 Scheduling Requirements (Design and Construction Phase)

Contractor shall prepare the Master Project Schedule for the Work utilizing the Critical Path Method (CPM). The schedule shall be submitted to Anaconda for approval prior to the completion of the Definition Phase. The scheduling system shall have the capability of formatting the schedule into tabular form, network form and a summarized bar chart. The CPM scheduling system used shall also be capable of sorting, selecting and zoning the activities.

(a) The Tabulated Schedule shall include the following minimum data for each activity:

- . Activity number
- . Duration (in workdays)
- . Description
- . Early start date
- . Early finish date
- . Late start date
- . Late finish date
- . Status (whether critical)
- . Total float
- . Free float

(b) The Network Schedule shall be in the following format:

- . Critical activities highlighted
- . Critical path highlighted

(c) The Summary Barchart Schedule should summarize the schedule into five (5) to ten (10) major components of the Work.

4.0 Cost Control Requirements (Definition, Design and Construction Phases)

- (a) Contractor shall prepare a detailed tabular monthly cost report for the Work. The cost report shall be oriented to Contractor's code of accounts. The report shall contain the following minimum information:
 - . Account number
 - . Account description
 - . Expended cost for the period
 - . Expended cost to date
 - . Committed cost for the period
 - . Committed cost to date
 - . Estimate to complete
 - . Estimate at completion
 - . Original budget
 - . Current approved budget
- (b) All calculations of the progress shall be based on the Earned Value Concept. Contractor shall develop time scaled project progress curves for the total project and each major discipline. (For Design and Construction Phase only).
- (c) Contractor shall develop project expenditure curves for the total project and each major discipline. (For Design and Construction Phase only).
- (d) Contractor shall develop manhour expenditure curves for the total project and each major discipline. (For Design and Construction Phase only).
- (e) Contractor shall develop a time scaled productivity graph displaying the labor efficiency of the total project and each of the major disciplines. (For Design and Construction Phase only).
- (f) The items listed in (a) through (e) above shall be submitted to Anaconda for approval as to format prior to submittal of the first monthly progress report.

5.0 Project Reporting (For Definition, Design and Construction Phases)

A monthly progress report is due to Anaconda by the tenth working day of each month. The monthly report shall include the following:

- . A brief description of the project.
- . A brief description of items worked on during the previous month.
- . A discussion of actual and/or anticipated problems, schedule slippages and any other factors which could adversely affect the performance of the Work.
- . An updated Approved Work Schedule. See paragraphs 2.0 and 3.0 for content requirements by phase. Only the Summary Barchart Schedule need be included in the monthly report during the Design and Construction Phase.
- . A summarized cost report in the format described in paragraph 4(a) above.
- . Updated expenditure and commitment curves. See 4(c).
- . Updated manpower curves. See 4(d).*
- . Updated progress curves. See 4(b).*
- . Updated productivity curves. See 4(e).*
- . An updated log showing events (e.g., contract modifications and change orders /approved and in process, productivity trends, delays, etc.) which substantiate any differences between the current approved budget and the forecast at completion.
- . An updated Subcontractor/Vendor report*, in a form and content approved by Anaconda, displaying the status of the critical pre-award and post-award milestones and events.

* For Design and Construction Phase only.

EXHIBIT F - ITEMS PROVIDED BY ANACONDA

1. Anaconda will secure at its own expense all leases, titles, concessions, bonds, deposits, permits, licenses, easements and rights-of-way necessary for the engineering, construction and completion of the facility, except licenses required to permit Contractor to do business in the jurisdiction where the services are to be performed and similar licenses required of other contractors and Subcontractors. To the extent requested by Anaconda, Contractor shall use its best efforts to assist Anaconda in obtaining such leases, titles, concessions, bonds, deposits, permits, licenses, easements and rights-of-way, and to assist Anaconda in connection with applications to and the hearings before authorities having jurisdiction over the construction, management or operation of the facility.
2. The following information will be provided by Anaconda, in accordance with the clause entitled "Conditions Affecting the Work" of Exhibit A of the Agreement, as specified below:
 - a. Drawing J - 1960 Existing Cast House Layout
 - b. Drawing AU-3000 Existing Rod Casting Plant Layout
 - c. Drawing U-142 Columbia Falls Reduction Plant Layout
 - d. Other drawings of Anaconda's reduction operations as may be required in the performance of the Work
 - e. A copy of the drafting standards, dated September 15, 1980, for Anaconda's Columbia Falls Reduction Plant (provided at the time of award)
 - f. Detail drawings of ALCOA A-469-MK II metal filtration system can be made available if required.
3. Assistance to Contractor regarding questions pertaining to Anaconda's reduction operations, as required.

4. Reasonable access to the Site, as required.
5. Office space at Columbia Falls to accommodate a limited number of Contractor employees on a temporary basis as may be required during the Definition Phase of the project. Telephone service shall also be provided; however, clerical, reproduction and other support services will only be available on a limited basis.
6. Provide and install any chemicals and raw materials necessary for the start-up and operation of the casting facility.
7. Provide all operating labor, maintenance labor, materials and utilities necessary to test, start-up, operate and maintain the casting facility.
8. The following utilities shall be furnished by Anaconda, as indicated below, for construction of the casting facility:
 - . Construction Electrical Power - Electrical power at 480 VAC/3Ø/3W/60 Hz will be available for construction use on the Site. Contractor will be responsible for distributing and transforming this power as necessary to complete the Work. No charge will be made for power consumption.
 - . Potable Water - Potable water will be made available to Contractor at a designated source in the existing plant site. Proximity to the Site will depend on final Site location.
 - . Construction Water - Construction water will be made available to Contractor at a designated source in the existing plant site. For large amounts of consumption (i.e., earthwork, dust suppression, etc.) Contractor shall use temporary piping and holding of water at the Site.
 - . Sanitary Sewer - Sanitary sewer connections shall be made to the field construction trailers utilizing existing sewer lines, if available. In the event of a greenfield Site, permanent installation of the sanitary sewer line to the new facilities shall be installed and a tie-in to the field offices connected by Contractor. Portable chemical toilets shall be used for field craft labor.

- . Telephone - Telephone lines necessary for Contractor's field office, including Anaconda's field personnel, shall be separately arranged for with the local telephone company by Contractor. A separate cable from the existing plant cable system will be necessary. Telephone billing for the project will be included in Contractor's budget.

EXHIBIT G - CONFIDENTIALITY, INTELLECTUAL
PROPERTY INDEMNITY, AND LICENSE

I. Anaconda's Confidential Information

(a) Contractor agrees to hold in confidence and not to use or disclose to others for a period of ten (10) years from the effective date of this Agreement, except as it is authorized in writing by Anaconda in connection with the Work

(1) any information regarding Anaconda's plans, programs, plants, processes, Equipment, costs, operations or customers which may come within the knowledge of Contractor or its employees in the performance of, or as a result of, the Work, or

(2) any other information which is furnished to Contractor by Anaconda in the course of Contractor's performance of the Work, including information of a third party which is being held in confidence by Anaconda, and as Anaconda may request Contractor agrees to secure the execution of a secrecy agreement in a form approved by Anaconda, to assure that its Vendors and Sub-contractors will hold in confidence and will not use or disclose any such information except as is so authorized in writing by Anaconda. Contractor further agrees to exert every reasonable effort to restrict the knowledge of all information regarding any aspect of the Work to employees,

Vendors or Subcontractors who have a need to know in connection with the performance of the Work;

(3) provided, however, that nothing herein shall prevent Contractor from disclosing to others or using in any manner

(i) information which is or becomes part of the public domain other than by acts or omissions of Contractor or its employees in violation of this Agreement,

(ii) information which lawfully becomes available to Contractor on a non-confidential basis from a third party who has not received the information directly or indirectly from Anaconda, or

(iii) information which Contractor can prove was in its possession at the time it entered into this Agreement and was not acquired directly or indirectly from Anaconda; provided, further, that nothing herein shall prevent Contractor from disclosing to others or using information proprietary to Contractor. Specific Anaconda information disclosed shall not be deemed to be available to the public or in the prior possession of Contractor merely because it is embraced by more general information available to the public or by more general information in the prior possession of Contractor.

(b) Upon request by Anaconda, or in the absence of such request, within thirty (30) days after Contractor has completed the Work, Contractor shall return to Anaconda all copies of all documents which have in the course of Contractor's performance under this Agreement been provided to Contractor by Anaconda as described above, except that

Contractor may, at Anaconda's discretion, retain one (1) copy of such documents for record-keeping purposes.

II. Intellectual Property Indemnity

(a) Contractor agrees that it will use its best efforts in the performance of the Work, not to incorporate in the Work any Equipment, material or process which involves the use of any information or technology which is confidential, patented, copyrighted, or the subject of trade secrets or other intellectual property rights of others than Anaconda or Contractor and which Anaconda or Contractor does not have the right to use. Contractor agrees to notify Anaconda of any United States patent, patent application, trade secret or other proprietary right likely to be infringed or violated of which Contractor is or becomes aware.

(b) In addition to the indemnities set forth in the clause of Exhibit A entitled "Indemnity", Contractor shall indemnify, defend and hold Anaconda harmless from all liability for alleged or actual infringement of any patent, copyright, or proprietary right in trade secret resulting from the use of Equipment, materials, or processes designed and/or supplied by Contractor hereunder, and Contractor shall indemnify and hold Anaconda harmless from and against all costs, counsel fees, damages, expenses and liabilities incurred in or about any claim of or action for such infringement; provided, however, that this indemnification shall not be applicable to any infringement resulting from acts of Contractor in accordance with specific written instructions or plans and specifications furnished to Contractor by Anaconda.

(c) Anaconda agrees to advise Contractor promptly in writing of (1) any notice of any such claim or action received from anyone, or (2) the commencement of any suit or action based upon such a claim.

(d) Upon receipt of the notice required by Paragraph (c), Contractor shall undertake the defense of any such suit, action, or claim. Contractor shall have charge and direction of the defense of any such suit or action and Anaconda agrees that it will render Contractor all reasonable assistance (other than financial) that may be required by Contractor in the defense of such suit or action. Anaconda shall have the right to be represented therein by advisory counsel of its own selection at its own expense. If Contractor refuses or fails to defend any such suit, action or claim, Contractor shall reimburse Anaconda in full for Anaconda's costs and expenses incurred in such defense.

(e) In connection with such claim or suit or action in respect of which notice is given aforesaid, Contractor reserves the right to acquire, at its expense, such immunity from suit or license which will allow Anaconda to continue to use any such Equipment, process or materials forming the basis for such claims or suit or action, of making replacement or modification of such Equipment, process or materials, at Contractor's expense, as may be required to eliminate the alleged infringement or basis for claim provided that such alteration is a substantial economic and functional equivalent to the existing Equipment, process or materials.

(f) Neither Contractor nor Anaconda shall settle or compromise any such claim or suit or action without the written consent of the other if the settlement or compromise obliges the other to make any payment or part with any property, to assume any obligation or grant any licenses or other rights, or to be subject to any injunction by reason of such settlement or compromise. If Contractor shall have undertaken the defense of any suit or action as aforesaid, Contractor will pay any damages or other sums that may be assessed in or payable under any final decree or final judgment by any court for infringement, to the extent that said infringement is based upon such use of such Equipment, process or materials supplied by Contractor.

(g) Anaconda has made or will make, for its own interest, the necessary arrangements with third parties covering license of patented processes of which Anaconda has knowledge, for operation and use of the processes herein described, including provision for royalties, and will hold Contractor harmless against any loss or damage caused by Anaconda's failure to fulfill the obligations of this paragraph.

III. License

(a) Contractor agrees to grant and hereby grants to Anaconda, under any patents owned or hereinafter controlled by Contractor and any proprietary rights of Contractor, an irrevocable, non-exclusive, paid-up license to use in the operation of the casting facility , the processes, Equipment and designs furnished, supplied or procured by Contractor with respect to the Work, and Contractor warrants that to the best of its knowledge it has the right to make this grant. It is expressly understood that the rights and licenses granted herein to Anaconda shall inure to the benefit of and be transferrable to any party to whom Anaconda transfers title to the casting facility .

(b) All original drawings, plans, schedules, specifications, calculations, reports, designs, data and other information, and all copies thereof, prepared by or obtained by Contractor in the performance of the Work, are the property of Anaconda and shall be delivered to Anaconda promptly after written request is made or, if no request is made, within thirty (30) days of completion of the Work, except that Contractor may, at Anaconda's discretion, retain one (1) copy of such information for record-keeping purposes. Contractor shall treat such information as being proprietary information of Anaconda and the terms and obligations of Paragraph I of this Exhibit G apply thereto. Contractor hereby grants and assigns to

Anaconda all right, title and interest in and to the literary property embodying the information, including all rights of copyright in all countries of the world.

(c) Contractor shall promptly disclose, grant and assign to Anaconda all rights in and to any and all inventions, discoveries and improvements resulting from or arising out of its performance hereunder, which, during the term of this Agreement, Contractor's employees may make, conceive or reduce to practice, either solely or jointly with any other person or persons, together with all Letters Patent and all reissues thereof that may at any time be granted therefor or thereupon; and any and all of the same, whether made by Contractor directly or indirectly, shall be for the sole use and benefit of Anaconda and it shall at once become entitled thereto. Further, Contractor shall promptly and at all times hereafter execute, deliver and perform any and all acts and instruments in writing that may be necessary or proper in the opinion of Anaconda to vest said inventions, discoveries, improvements, patents and said reissues thereof in Anaconda so as to enable it lawfully to obtain and maintain the full right and title thereto in any and all countries whatsoever, including all such descriptions, sketches, drawings and other papers relating thereto as Anaconda may need or call for from time to time and to render to Anaconda at Anaconda's expense (including reasonable compensation for Contractor's time) all such assistance as Anaconda may require:

(1) In the prosecution of applications for said patents or applications for the reissues of said patents;

(2) In the prosecution or defense of all interferences which may be declared involving any of such applications or patents; and

(3) In any and all litigation in which Anaconda may be directly or indirectly involved relating to such inventions, discoveries, patents and improvements.

Contractor shall also maintain agreements in writing with its employees to enable it to assure Anaconda that its employees will execute, deliver and perform those acts and instruments in writing which may be necessary or proper in the opinion of Anaconda to secure or maintain such right and title by Anaconda.

Anaconda shall have the entire and sole authority to determine whether or not patent applications shall be filed, prosecuted or abandoned and shall have full and complete control over the filing or prosecuting of any patent applications. The costs of filing, prosecuting and protecting patent applications will be borne by Anaconda.

(d) Contractor shall not, without the prior written consent of Anaconda, use or make available to others any of the inventions, discoveries or improvements conceived or made under Paragraph (c) above and shall treat all information relating to said inventions, discoveries and improvements as being proprietary information of Anaconda and the terms and obligations of Paragraph I of this Exhibit G shall apply thereto.